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LEGISLATIVE HISTORY

Public Law 50—82nd Congress

Chapter 141—1st Session

H.R. 1612

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THE
HISTORY OF THE
CITY OF BOSTON
FROM 1630 TO 1880
BY
JOHN H. COVINGTON

CHAP. I.

THE CITY OF BOSTON, FROM 1630 TO 1880. BY JOHN H. COVINGTON. BOSTON: PUBLISHED BY THE AUTHOR, 1880.

DIGEST OF PUBLIC LAW 50

TRADE AGREEMENTS EXTENSION ACT OF 1951. A Bill to extend the authority of the President to enter into trade agreements under Section 350 of the Tariff Act of 1930, as amended, and for other purposes.

INDEX AND SUMMARY OF HISTORY ON H.R. 1612

January 17, 1951	H. R. 1612 introduced by Mr. Doughton. Referred to House Committee on Way and Means. Print of Bill as introduced.
January 22, 1951	Hearings; House Committee on Ways and Means.
January 29, 1951	H. R. 1612 reported to the Whole House on the State of the Union. Print of the Bill as reported. House Report 14.
January 31, 1951	Began debate.
February 7, 1951	Passed House with amendment.
February 8, 1951	H. R. 1612 referred to Senate Committee on Finance.
February 12, 1951	Proceedings vacated, error corrected and bill repassed.
March 12, 1951	Amendment to H.R. 1612 proposed by Mr. Magnuson. Print of amendment as proposed.
April 12, 1951	Amendment proposed by Mr. Holland. Print of Amendment as proposed.
April 17, 1951	Amendment to H.R. 1612 proposed by Mr. Butler. Print of Amendment as proposed.
April 26, 1951	Summary of Bill H.R. 1612 as reported.
April 27, 1951	H. R. 1612 reported with amendments. Senate Report 299. Print of Bill as reported.
May 17, 1951	Began debate (unfinished business) Amendments to H. R. 1612 proposed by Mr. Malone. Print of Amendments as proposed.
May 21, 1951	Amendment to H. R. 1612 proposed by Mr. Connally. Print of Amendment as proposed.

May 21, 1951	Bill H. R. 1612 debated.
May 22, 1951	Amendment to H. R. 1612 proposed by Mr. Magnuson ordered to lie on the table. Print of Amendment as proposed. Continued debate.
May 23, 1951	Passed Senate with Amendments. Print of Bill as amended. Senate Conferees appointed.
May 29, 1951	Senate agrees to Conference Report.
May 31, 1951	H. R. 1612 reported by Committee of Conference. House Report 537. Conference Report as printed.
June 5, 1951	House agrees to conference report.
June 16, 1951	Approved - Pub. Law 50.

H. R. 1612

IN THE HOUSE OF REPRESENTATIVES

JANUARY 17, 1951

Mr. DOUGHTON introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Trade Agreements
4 Extension Act of 1951".

5 SEC. 2. The period during which the President is au-
6 thorized to enter into foreign-trade agreements under section
7 350 of the Tariff Act of 1930, as amended and extended,
8 is hereby extended for a further period of three years from
9 June 12, 1951.

82ND CONGRESS
1ST SESSION

H. R. 1612

A BILL

To extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

By Mr. DOUGHTON

JANUARY 17, 1951

Referred to the Committee on Ways and Means

EXTENSION OF THE RECIPROCAL TRADE AGREEMENTS ACT

JANUARY 29, 1951.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. DOUGHTON, from the Committee on Ways and Means, submitted the following

REPORT

[To accompany H. R. 1612]

The Committee on Ways and Means, to whom was referred the bill (H. R. 1612) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE OF THE BILL

The bill would extend for 3 years from June 12, 1951, the authority of the President to enter into foreign trade agreements under section 350 of the Tariff Act.

THE RECORD UNDER THE TRADE AGREEMENTS PROGRAM

The record of accomplishment under the Trade Agreements Act fully justifies the central position which the trade agreements program has come to occupy in our foreign policy and calls for its continuance.

Through its active leadership in the vital and difficult task of achieving an expansion of world trade, the United States has been able to contribute to the work of building greater strength and greater unity among the nations of the free world.

Trade agreements resulting from the negotiations of the past 16 years are now in effect with 45 other countries. In 1949, about 75 percent of our foreign trade was carried on with these countries.

The most important agreement made under the act is the general agreement on tariffs and trade. The United States and 31 other countries are parties to this agreement. It was first negotiated at

Geneva in 1947. Twenty-three countries participated in the negotiations. Over a hundred separate pairs of negotiations took place. Over 45,000 separate tariff rates were dealt with. At Annecy, in 1949, nine more countries negotiated with the original countries and with each other and became parties to the general agreement. When the negotiations now going on at Torquay are completed, it is expected that seven more countries will have become parties to the general agreement. There are about 150 separate tariff negotiations now going on at Torquay.

The negotiations resulting in the general agreement are the most successful effort ever made to negotiate agreement on tariffs over a wide area of world trade. The products included in the tariff schedules of the general agreement account for over half of the entire trade of the world. Moreover, the fact that so many of the trading nations of the world are parties to this agreement means that its general provisions have a much wider application than the general provisions of any of our earlier bilateral trade agreements. These general provisions now constitute an important body of international commercial policy rules, and have provided the basis for the settlement of a variety of trade disputes.

The various meetings of the parties to the general agreement have provided a useful opportunity for countries to consult with each other about trade problems of mutual interest arising under the agreement.

ADMINISTRATION OF THE RECIPROCAL TRADE PROGRAM

Although bold in conception and broad in scope, the program has been administered with care. All negotiations have been handled on a product-by-product basis. All negotiations have been handled under safeguards adequate to meet the needs of particular industries and groups of producers.

The procedures followed in the administration of the act have frequently been described in previous reports and are summarized in appendix A. Suffice it to say that they include provision for wide public notice and public hearings to obtain the fullest information. They provide for tailoring concessions to meet the particular situation of particular products so as to combine the maximum opportunity for imports with avoidance of injury to domestic interests. They provide a method (the escape clause) for the withdrawal of concessions should they, contrary to expectation, cause or threaten serious injury to the domestic industry. The safeguards employed in negotiating trade agreements and in administering the escape clause which are designed to prevent injury to American industries are described in appendix B.

It is indicative of the care with which the authority given to the President to reduce the tariffs by the Trade Agreements Act has been administered that, out of all the hundreds and even thousands of tariff rates which have been reduced in agreements since the escape clause was first introduced in 1943, only 20 applications have been made to the United States Tariff Commission for its use, and thus far only one has been recommended by the Commission to justify action.

During the period of these negotiations the people of the United States have achieved the highest level of prosperity and real income that this country has ever known. The standards of wages and working conditions in the United States, as well as the standards maintained

by our farmers during this period, have been the highest in history. The expansion of world trade brought about under the trade agreements program has contributed substantially toward this prosperity.

RELATIONSHIP TO OUR NATIONAL SECURITY

Today our greatest concern is the maintenance of our national security in cooperation with other nations.

The impact of any concession upon the national security is one of the elements that is always considered by the trade agreements committee in making its recommendations to the President. A representative of the Department of Defense is a member of that committee. He participates in the selection of the products to be considered, in the public hearings, and in the work of the committee in deciding what concessions, if any, should be made on each product. The President is, in fact, required by the act to consult the Department of Defense before making any trade agreements.

Moreover, the vigorous utilization of the reciprocal trade authority in multilateral negotiations with other nations has not only opened markets in those countries to American producers, but has removed, and prevented the erection of, trade barriers among those countries themselves. The elimination of restrictions to trade has been an essential corollary to the success of the Marshall plan, for the fruits of the revival of industrial and agricultural production cannot be fully realized if the people of one nation are denied access to the production of its neighbors. And it is equally clear that the economic revival of the member nations of the North Atlantic Treaty Organization has assumed greater significance as we assemble our joint military strength in the present program for preparedness and ultimate peace.

THE PERIL-POINT AMENDMENT

During the hearings the proposal was again made that the so-called peril-point amendment be incorporated in the bill.

This issue was fully debated in connection with the Trade Agreements Extension Act of 1949 and the peril-point amendment was then repealed by the Congress. Many of the arguments against the peril-point amendment were set forth in the report of this committee to the Eighty-first Congress on the Trade Agreements Extension Act of 1949 (H. Rept. No. 19, 81st Cong., 1st sess.), in rejecting the crippling amendments upon the reciprocal trade program which had been imposed in 1948. This committee then said, in part:

"B. The objection to peril-point determinations.—The outstanding merit of the 1948 act, in the eyes of those who have always opposed the reciprocal-trade program, is its requirement that the Tariff Commission submit a report indicating minimum rates which in its opinion will safeguard domestic industry against serious injury or threat thereof. That is, as the Assistant Secretary of State for Economic Affairs, said:

"The determinations by the Commission are to be made without regard to any national or international considerations, such as benefits to be obtained by other countries, long-term needs of the economy for expanding markets, the necessity of obtaining the best possible use of domestic resources, possible strategic considerations, or the

possible repercussions of our action upon policies of other countries toward us. * * * The 1948 act returns to the old protectionist theory that only the prosperity of an individual industry is affected by a tariff or quota, and practically makes such narrow protectionism the sole criterion for determining the concessions which may be made by the United States in trade agreements.'

"Under the Trade Agreements Extension Act of 1948, no member of the Tariff Commission or of its staff can participate in the recommendations to the President or in the negotiation of an agreement. This is a complete waste of talents and abilities. It deprives the President of the assistance of trusted and competent officers in negotiating the best bargain for the United States. It places a high wall around the Tariff Commission so far as the remainder of the agencies participating in the trade-agreements program is concerned. In the give and take of discussion on any tariff concession under the procedure of the preceding 14 years, the contribution of the Tariff Commission was invaluable. This is lost under existing law.

"Of even more serious nature is the fact that other governmental agencies with responsibilities with regard to the effect of tariffs on domestic industry and national security are subordinated to the Tariff Commission. The Tariff Commission's judgment should not prevail over that of the Department of Agriculture in the field of agriculture.

"The Tariff Commission is not qualified to make determinations regarding the national defense.

"The requirement in the bill that the Tariff Commission hold public hearings results in duplication of effort. Additional hearings still are necessary because the other departments would otherwise be unable to question the witnesses who have appeared at the Tariff Commission hearings and would thus be unable to obtain in many instances a completely clear understanding of the problem. Furthermore, Tariff Commission hearings do not yield information on United States export products or other matters relating to the agreement. A separate hearing is necessary in order that a segment of the American economy can have an opportunity to be heard. This segment is vastly larger than the one which appears at the Tariff Commission hearing. It consists of people interested in exports; it consists of people who are interested in better international relations; it consists of consumers; it consists of a predominant part of labor; it consists of a large share of the farmers.

"*C. Scientific tariffs.*—A second advantage that has been claimed for the 1948 act is that it enabled the Tariff Commission to be truly objective and scientific. This implies that the Tariff Commissioners are unable to reach objective judgments in discussions at which other viewpoints are represented. The committee rejects this view. It believes that the Tariff Commissioners will always be able to exercise independent judgment and, in doing so, will make an important contribution to the success of the trade-agreements program. The question is whether to keep the Commission in enforced isolation and deprived of some of the data when the time comes to recommend rates. The committee believes that at this stage it would be blindly wasteful not to use the skills and knowledge of the Tariff Commission, but there is equally every advantage in utilizing also the abilities and resources of all the agencies concerned with commercial foreign policy. Far

from giving less weight to Tariff Commission facts and skills the old procedure permits much fuller participation by the Commission in determining rates and in negotiating agreements.

"D. Binding effect of peril-point reports.—As for the contention that under the so-called peril-point system the Commission's findings are not binding on the President, the committee believes every person who has ever participated in any form of organization knows the weight which attaches to such a report. Individual points may be altered by later action but the pattern is usually set by the original report. Especially in the case of tariffs, where interrelationships between duties on different products must be taken into account along with other factors, a report prepared under the mandate of the 1948 act would almost inevitably narrow the trade-agreement organization's action and lessen the scope of concessions offered."

Nothing has happened since that time and no arguments were presented at the hearings to change the views of this committee that the peril-point amendment is both unnecessary and undesirable.

Under existing procedures the recommendations which go to the President as to concessions that he should make are the collective judgment of representatives of the Secretaries of Agriculture, Commerce, Defense, Interior, Labor, State, Treasury, the Administrator of the Economic Cooperation Administration, and the United States Tariff Commission. This judgment is reached on the basis of the special knowledge of these representatives resulting from their respective responsibilities and after full public hearings. The record shows that these judgments have been sound.

To substitute "peril-point" proposal for this procedure, which has worked so well for so long, would be as undesirable as it would be unnecessary. The peril-point procedure, in effect, makes the judgment of a single agency determinative of the extent of tariff concessions; deprives that agency in making its judgment of the right to participate in the discussions of the other agencies concerned with the program; requires that agency to perform the almost impossible task of fixing a precise point which will serve as a sort of guaranty against injury for the future; and results in a duplication of hearings.

SUPPORT FOR THE PROGRAM

The hearings confirmed the widespread support for the program by industry, agriculture, and labor. Representatives of groups such as the Chamber of Commerce of the United States, the United States Council of the International Chamber of Commerce, the National Foreign Trade Council, Inc., the National Council of American Importers, Inc., the American Farm Bureau Federation, the National Farmers Union, the Congress of Industrial Organizations, the American Federation of Labor, the United Textile Workers of America (A. F. of L.), the League of Women Voters, General Federation of Women's Clubs, the Friends' Committee on National Legislation, and others, expressed their full support, either personally or in writing, and urged the extension of the act without amendment. The Nation's press is overwhelmingly of the same opinion. The executive branch of the Government was unanimous in this recommendation.

NEED FOR EXTENSION

The committee recognizes that no large-scale negotiations such as that held at Geneva and now being held in Torquay is in prospect for some time. Nevertheless, it is important that the authority of the President be continued for a further period of 3 years.

In the first place, he will need this authority to make small-scale adjustments in rates from time to time. Moreover, it may be that certain bilateral negotiations, or other negotiations on a comparatively limited scale will be considered by the President to be in the best interests of the United States.

It is essential in our relationship with other countries that the United States reaffirm its determination to continue to participate in the cooperative effort to expand world trade. We must not let the tools of peace rust or be lost as we mobilize for defense. In view of the prominent place which the trade agreements program justly occupies in our foreign policy, failure to renew this act would be more than mere inaction—it would be construed as negative withdrawal from this constructive and cooperative international effort.

As the Secretary of State advised your committee: "Continued participation by the United States in the cooperative effort to improve the conditions of world trade will be recognized both at home and abroad as one clear indication that behind the shield of military power which we and our allies are creating, the techniques of growth and expansion are being maintained intact. Continuation of the trade agreements program is one way in which we can assure the peoples of the free world that economic expansion and rising living standards for all countries is still the goal of the United States."

APPENDIX A

HOW A TRADE AGREEMENT IS MADE

The decisions involved in making a trade agreement are made by the President, for it is to him that the authority to negotiate trade agreements within certain limits has been given by the Congress in the Trade Agreements Act of 1934. This act, which became a law on June 12 of that year and has since been renewed six times, empowers the President to conclude trade agreements with other countries. In return for reductions in their barriers against American goods, he may modify United States tariff treatment or other import restrictions on goods from abroad. United States concessions may consist of (a) a reduction in the United States tariff rate, (b) binding of that rate, that is, an agreement not to increase the rate, or (c) a binding of duty-free status, that is, agreement not to impose a duty on an article which is admitted free of duty when the agreement is concluded.

In making decisions under the Trade Agreements Act, the President is required by law to consult the Departments of State, Commerce, Agriculture, and Defense, and the Tariff Commission. In practice, he gets a broader range of advice for he has, by Executive order, set up an interdepartmental group called the Trade Agreements Committee, which includes not only the agencies that he is required by law to consult but also representatives of the Departments of Labor, Interior,

and the Treasury and the Economic Cooperation Administration. From time to time other departments and agencies are consulted when problems of particular interest to them arise.

FIRST STEP—THE COUNTRY COMMITTEE

The first thing done in preparing for a negotiation with a particular country—call it country X—is for the Trade Agreements Committee to appoint a so-called country committee: a committee made up of officers of the different agencies which have members on the Trade Agreements Committee. These officers are selected because they are experts on our trade with country X. This country committee then studies the statistics of this trade and picks out for possible tariff negotiation the products which we import from country X and for which country X is the principal supplier. The committee also chooses the items which country X imports and for which the United States is the principal supplier. It may also include in the list of that country's imports some products in which our exporters have a particular interest, even though we may not be the principal supplier. Conversely, it may also include in the list of United States import items some products which are of particular interest to country X, although it may not be the principal supplier.

TRADE AGREEMENTS COMMITTEE MAKES RECOMMENDATIONS

Having done this, the Trade Agreements Committee sends the list of United States import items to the President for approval.

When the President has approved the list with such changes as he may wish to make, it is published and a date is set for public hearings to obtain the views of all interested persons and groups as to whether concessions on any of the items should be made. These hearings are held by the Committee for Reciprocity Information, which is composed of the same agencies and the same individuals as the Trade Agreements Committee. Originally the two committees had different membership, but it was decided some time ago that it was very important that the people who hear the views of the public be the same as those who make the recommendations to the President.

The notice that goes out with the list makes the following points clear:

1. That everyone who has an interest in the items on the list is invited to make known his views about whether a concession should be granted.

2. That the inclusion of a product in the list does not mean that any decision has been made as to whether a concession will or will not be granted.

3. That no concession will be granted on any product which is not contained in a public list.

4. That interested people are requested to give the committee their opinions as to concessions which should be asked by the United States from the other countries with which it is negotiating, as well as their views about possible concessions in the United States tariff.

5. The time and place at which briefs must be filed and the time and place at which the hearings will be held.

INTERESTED PERSONS PRESENT VIEWS

A very considerable effort is made to see that this list and notice get the widest possible distribution. Both are published in the Federal Register, and the notice is published in the State Department Bulletin, Treasury Decisions, and Foreign Commerce Weekly. Copies are sent to every Member of Congress and in quantity to all the district offices of the Department of Commerce for dissemination to interested people. Over the course of the years, an extensive list of people who are interested in hearing about trade-agreement matters has been built up, and copies of the notice and the public list are sent to everyone on it. Moreover, many of the trade associations, trade journals, chambers of commerce, and so forth frequently purchase quantities of the notice and list for distribution to their members. The list and notice are of course also given to the press.

All individuals or groups who wish to express views about a product on the list are required to file a written memorandum in advance of the hearings. They may appear and present supplemental information and answer questions if they so desire. Though this is not required, most people avail themselves of this opportunity. The material contained in the briefs is kept confidential, but the material elicited as a result of questioning at the public hearings is of course public information.

Copies of the briefs are furnished to the members of the country committee, to the members of the Trade Agreements Committee, and to any other people who may be involved in the conduct of the hearings. The briefs are first analyzed by Government experts on the particular product with which they deal so that the officials who are to conduct the hearings have in advance the result of expert analysis of the brief and suggestions as to additional information to be elicited before or during the hearings.

After the hearing is concluded, the information elicited at the hearing, the information contained in the briefs, and the information in the Government files with respect to each product is then studied by a country committee. The committee makes a recommendation as to whether a concession would be justified and, if so, what the nature of the concession should be. These recommendations are presented to the Trade Agreements Committee, which reviews them item by item, and approves, modifies, or rejects them.

The same process is gone through with respect to concessions to requested of country X.

HOW DECISIONS ARE ARRIVED AT

The decision in each case is based upon a variety of factors. The committee considers, for example, the relation of imports to domestic production. Are imports a large part of the amount consumed in the United States, or a small part? It considers what the trend has been on this point. Have imports been taking an increasing part of the domestic market, a smaller part, or has the relation between imports and domestic production remained substantially stable?

It considers whether the type of product being imported from country X is a type which is competitive with the domestic product. Is it a specialty, for example, which has a particular appeal because

it is imported and no similar product is produced in this country? Is it something which is identical to what we produce and therefore directly competitive? Or does it fall somewhere between these categories?

It considers whether the domestic industry is on an export basis. If, for example, the domestic industry has a large export business, there would be a reasonably clear indication that it is able to compete in third markets with the foreign product, and therefore a reduction in the tariff would not be likely to cause any injury.

The Committee also takes into account such matters as whether the domestic industry is a large and diversified industry located in many places and producing a wide variety of products, or whether it is an industry concentrating on the particular product involved and located largely in one community. This has an important bearing, of course, upon the possible impact of imports on the domestic industry.

The Committee also considers the national security aspects with respect to particular products.

Then the Committee considers whether it would be desirable or possible to make a concession on only part of the tariff category that may be involved. For example, it might well be that a substantial reduction in the tariff on imports of a product above a certain value would not have any appreciable effect on the domestic industry, whereas a comparable reduction on lower-value products might have a considerable impact.

The Committee may also take into consideration the advisability of making a limited reduction through the use of a tariff quota or other devices. For example, the Committee may decide that a reduced duty should apply to only a specified percentage of average United States production of the product. Or, to take another example, the Committee may decide to reduce the duties but to reserve the right to increase the rates if imports exceed a certain percentage of United States production of similar products.

All of these factors and others are taken into account in making a recommendation as to a concession on any particular product.

RECOMMENDATIONS GO TO THE PRESIDENT

The Trade Agreements Committee is very reluctant to recommend a concession which any one of the members feels strongly would be likely to result in serious injury. Sometimes, however, there is a divided view among the members of the Committee. In such a case, the dissenting member or members write out the reasons for their opinion. These are forwarded by the Chairman of the Committee direct to the President, together with a statement of the views of the majority and the reasons for that opinion. This is required by the Executive order and is the invariable practice.

The recommendations of the Committee are forwarded direct to the President with a request for his approval. The President considers the recommendations, decides which he will follow in the event of any disagreement, and advises the Chairman of the Committee of his decision.

This decision of the President constitutes an instruction to the United States negotiators. It authorizes them to make the conces-

sions they recommend provided that they can get from the negotiating country the concessions which they have recommended the United States should ask.

ACTUAL BARGAINING BEGINS

The next stage is that of negotiation. The negotiation is conducted normally by a team consisting of representatives of the Department of State, the Tariff Commission, and the Department of Commerce. When significant agricultural items are involved, there is usually an adviser from the Department of Agriculture. At other times, there may be a representative from the Department of the Treasury. Other agencies are represented by advisers when their interests are involved.

The offers and requests are presented to the country X negotiators, and the bargaining takes place around the table, usually for a considerable period of time.

The negotiating team makes the best bargain it can within its instructions and then reports to the Trade Agreements Committee as to whether it believes an agreement possible and makes recommendations to the Committee as to whether any changes in the offers initially authorized or in the requests initially made would, in its opinion, be desirable. The Trade Agreements Committee considers the recommendations of the team and, if it feels that any changes in the original position are desirable, recommends to the President what changes it thinks should be made.

Normally there are changes as a result of the negotiation. If it develops that we are not able to get as much as we feel we should, then we pull back some of our offers. If we are able to get more than we expected but are asked for more in return, the Committee considers whether the bargain would be worth while and whether it could be made without danger.

On the basis of this consideration the Committee makes its recommendations to the President for the final decision. If he approves them, the negotiating team concludes the agreement on that basis.

BARGAINING WITH SEVERAL COUNTRIES AT ONCE

From 1934 until 1947 the United States, under the Trade Agreements Act, concluded trade agreements through separate negotiations with each of various foreign countries. Tariff concessions in each agreement were based of course on the trade between the United States and the other country involved, although, under the traditional most-favored-nation policy of the United States, the concessions granted in any agreement applied to the products of all other countries as well. The "general provisions" of the agreements—relating to general trade treatment and designed to safeguard the tariff concessions themselves—differed in some cases, although they were considerably standardized.

But at Geneva in 1947, the United States and 22 other countries negotiated tariff concessions simultaneously and agreed to one set of general provisions—those in the general agreement on tariffs and trade concluded then. At Annecy, France, in 1949, nine additional countries exchanged tariff concessions among themselves and with the original subscribers to the general agreement and thus became contracting parties.

Notwithstanding the number of countries engaged in the negotiations, the same country-with-country bargaining procedure is followed in exchanging tariff concessions. The result is that the number of such two-country negotiations has run into the hundreds. When all have been completed, all the concessions resulting from the separate negotiations are examined and approved by all the participating countries and then integrated into the one agreement.

United States procedure in this bargaining for concessions does not differ under the "multilateral" approach from that used in concluding the earlier separate "bilateral" agreements.

The foregoing paragraphs describe in detail the successive steps followed in considering and reaching decisions on each tariff concession which the United States may ask or offer in the course of making a trade agreement. Only after all these stages have been passed does the President make effective, by proclamation, the modifications in United States tariffs which the United States Government makes in return for corresponding trade-barrier reductions granted by foreign countries and designed to widen their markets for United States products.

APPENDIX B

SAFEGUARDS EMPLOYED UNDER THE TRADE AGREEMENTS PROGRAM TO PREVENT INJURY TO UNITED STATES INDUSTRIES

Measures to assure that no United States industry will suffer serious injury or threat of serious injury through a United States concession in a trade agreement are provided for: (1) In the procedure followed before a trade agreement is negotiated; (2) in the individual concessions themselves; and (3) in the general provisions of the agreement which apply after the agreement becomes effective.

SAFEGUARDING PROCEDURES EMPLOYED BEFORE AGREEMENT IS NEGOTIATED

Before any concession is even offered by the United States in a trade-agreement negotiation, the following procedures are required either by the Trade Agreements Act itself, or by Executive order of the President.

1. The Tariff Commission, a bipartisan, expert body responsible to the Congress, makes a thorough study of the possible effects of a concession, including competitive factors, with regard to each item on which a concession is being considered.

2. A list of all items on which concessions may be considered is made public.

3. Public hearings are held at which any interested person has opportunity to present his views, both in writing and orally, on whether any concession should be offered.

4. Opportunity is given for informal consultation with interested persons or groups.

5. Facts and opinions developed through the Tariff Commission studies, the hearings, and any other available means are closely examined by the Interdepartmental Committee on Trade Agreements, which includes a member of the Tariff Commission, a representative of the Administrator of the Economic Cooperation Administration,

and representatives of the Departments of State, Agriculture, Commerce, Treasury, Labor, Defense, and the Interior. This Committee was established by Executive order.

6. After considering all available information on each item, the Trade Agreements Committee decides what recommendations it will make to the President as to concessions which might be offered in negotiations. More than 99 percent of these recommendations have been unanimous. If any agency disagrees with the majority recommendation, that agency submits its dissent, in writing, with its reasons, to the President along with the majority recommendation.

7. After examining all available information regarding a given item included in a published list, the Trade Agreements Committee may decide not to recommend any concession whatever on that item.

8. The concessions which the President approves form the basis of United States offers in the actual negotiations. No United States concessions are actually made unless adequate concessions from foreign countries are obtained in return.

9. Concessions granted and obtained in the negotiations must be approved by the President before they can be put into effect.

SAFEGUARDS "BUILT INTO" INDIVIDUAL CONCESSIONS

In recommending concessions the Trade Agreements Committee "tailors" each one to fit the situation of the product concerned and of any domestic industry with whose product the imported article might compete.

1. On certain items the concession may be only the "binding" of the existing duty rate or existing duty-free status. "Binding" means agreement not to increase the existing tariff on a dutiable item or to impose a duty on a duty-free item. It involves no change in the tariff treatment of the item.

2. On certain other items, the recommendation may be to reduce the duty only 10 percent or 20 percent instead of the full 50 percent which would be possible under the President's authority.

3. The duty may be reduced on only a specified quantity of imports of the product in question. On any imports over this "tariff quota" the original rate remains in effect. Sometimes a concession provides that only certain quantities of the tariff-quota product shall be admitted at the low rate of duty per month or quarter. This prevents the market from being flooded by large imports under the quota at any one time.

4. The duty may be reduced on only specified types, grades, or value classes of the product in question, the rates on other classifications remaining unchanged. On cotton textiles, for example, the United States has reduced tariffs on high-quality goods which are normally imported from Western Europe, but not on goods of lower quality produced in Japan.

5. In some cases, such as that of fresh vegetables, a reduced duty may apply only during a specified season when domestic products with which they might compete are not being marketed (a "seasonal quota").

SAFEGUARDS EMPLOYED AFTER TRADE AGREEMENT IS IN EFFECT

Ever since the Trade Agreements Act was proposed and all through the administration of the trade-agreements program, there have been industries which have claimed that they would be injured by the program. There is clear evidence, both in the hearings that precede negotiations and in the congressional hearings in connection with renewal of the Trade Agreements Act, that in very few cases have the fears of injury been justified. However, there are adequate means for preventing or remedying any such injury if it occurs after the agreement has gone into effect.

THE STANDARD ESCAPE CLAUSE

All the trade agreements which have been signed since 1943, including the general agreement on tariffs and trade, have included an escape clause under which any party to the agreement may modify or withdraw an individual concession if it is found that, as a result of unforeseen circumstances and of the concession, imports of the item in question are occurring in such increased quantity and in such circumstances as to cause or threaten serious injury to a domestic industry. Under this clause the concession may be either partly or wholly withdrawn, a quota imposed on imports, or a rate of duty even higher than that in effect before the concession may be put into effect.

By joint agreement a substantially identical clause was included on October 13, 1950, in the trade agreement between the United States and Switzerland, concluded in 1936.

For the United States, the escape clause action is administered by the Tariff Commission, which makes its recommendation to the President, directly and without participation of any other Government agency.

An industry claiming injury or threat of injury resulting from a trade-agreement concession applies to the Tariff Commission for an investigation and public hearing. If, in the Commission's opinion, a preliminary examination reveals facts warranting a formal investigation, the Commission conducts one and recommends to the President the action, if any, which should be taken.

Although the United States has made concessions on several thousand items in trade agreements that contain the escape clause, only 20 applications for investigations, covering 17 products, have been filed with the Tariff Commission. Five of these are still pending. Of the 15 which have been disposed of, only one (involving women's fur felt hats and hat bodies) was found by the Tariff Commission to justify action. In that case the Tariff Commission recommended withdrawal of the concession and this was done.

The careful application of the safeguards observed before concessions are made and the way concessions are tailored to particular needs, are primarily responsible for the fact that need for using the escape clause has been minimized.

REMEDIES OTHER THAN STANDARD ESCAPE CLAUSE

Several trade agreements concluded by the United States before the general agreement contained clauses under which a concession

could be modified or withdrawn if it was found that its major benefits were going to some country other than the one to which the concession had been granted, and if serious injury to a domestic industry was occurring or threatened.

The 1936 trade agreement with Switzerland, containing this clause, included a United States concession on certain types of embroidered handkerchiefs. In 1940 it was found that large numbers of such handkerchiefs were being imported from another country and were threatening injury to a domestic industry. The concession was withdrawn.

The 1939 agreement with Canada included a United States concession on linen fire hose. In 1947 it was found that such hose was being imported in large quantities from another country and the domestic industry was being threatened. That concession, too, was withdrawn.

The 1939 agreement with Canada included a United States concession on live black and silver foxes and on fox furs. On the outbreak of World War II, several large European markets for furs were closed and there were considerable increases in shipments of furs to the United States. A supplementary agreement, limiting the number of furs to be admitted to the United States, was negotiated.

In the general agreement on tariffs and trade the United States granted to Canada a reduced-duty quota on potatoes, and agreed to increase the quota if United States potato production should fall below 350,000,000 bushels per year. In 1950 the United States sought and obtained from Canada, with the approval of the other contracting parties to the general agreement, a waiver under which the United States is not obligated to increase the Canadian potato quota unless United States production should fall below 335,000,000 bushels.

CHRONOLOGICAL LEGISLATIVE HISTORY OF THE TRADE AGREEMENTS ACT

[PUBLIC, No. 316—73D CONGRESS]

[H. R. 8687]

AN ACT To amend the Tariff Act of 1930.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Tariff Act of 1930 is amended by adding at the end of title III the following:

"PART III—PROMOTION OF FOREIGN TRADE

"Sec. 350. (a) For the purpose of expanding foreign markets for the products of the United States (as a means of assisting in the present emergency in restoring the American standard of living, in overcoming domestic unemployment and the present economic depression, in increasing the purchasing power of the American public, and in establishing and maintaining a better relationship among various branches of American agriculture, industry, mining, and commerce) by regulating the admission of foreign goods into the United States in accordance with the characteristics and needs of various branches of American production so that foreign markets will be made available to those branches of American production which require and are capable of developing such outlets by affording corresponding market opportunities for foreign products in the United States, the President, whenever he finds as a fact that any existing duties or other import restrictions of the United States or any foreign country are unduly burdening and restricting the foreign trade of the United States and that the purpose above declared will be promoted by the means hereinafter specified, is authorized from time to time—

"(1) To enter into foreign trade agreements with foreign governments or instrumentalities thereof; and

"(2) To proclaim such modifications of existing duties and other import restrictions, or such additional import restrictions, or such continuance, and for such minimum periods, of existing customs or excise treatment of any article covered by foreign trade agreements, as are required or appropriate to carry out any foreign trade agreement that the President has entered into hereunder. No proclamation shall be made increasing or decreasing by more than 50 per centum any existing rate of duty or transferring any article between the dutiable and free lists. The proclaimed duties and other import restrictions shall apply to articles the growth, produce, or manufacture of all foreign countries, whether imported directly or indirectly: *Provided*, That the President may suspend the application to articles the growth, produce, or manufacture of any country because of its discriminatory treatment of American commerce or because of other acts or policies which in his opinion tend to defeat the purposes set forth in this section; and the proclaimed duties and other import restrictions shall be in effect from and after such time as is specified in the proclamation. The President may at any time terminate any such proclamation in whole or in part.

"(b) Nothing in this section shall be construed to prevent the application, with respect to rates of duty established under this section pursuant to agreements with countries other than Cuba, of the provisions of the treaty of commercial reciprocity concluded between the United States and the Republic of Cuba on December 11, 1902, or to preclude giving effect to an exclusive agreement with Cuba concluded under this section, modifying the existing preferential customs treatment of any article the growth, produce, or manufacture of Cuba: *Provided*, That the duties payable on such an article shall in no case be increased or decreased by more than 50 per centum of the duties now payable thereon.

"(c) As used in this section, the term 'duties and other import restrictions' includes (1) rate and form of import duties and classification of articles, and (2) limitations, prohibitions, charges, and exactions other than duties, imposed on importation or imposed for the regulation of imports."

SEC. 2. (a) Subparagraph (d) of paragraph 369, the last sentence of paragraph 1402, and the provisos to paragraphs 371, 401, 1650, 1687, and 1803 (1) of the Tariff Act of 1930 are repealed. The provisions of sections 336 and 516 (b) of the Tariff Act of 1930 shall not apply to any article with respect to the importation of which into the United States a foreign trade agreement has been concluded pursuant to this Act, or to any provision of any such agreement. The third paragraph of section 311 of the Tariff Act of 1930 shall apply to any agreement concluded pursuant to this Act to the extent only that such agreement assures to the United States a rate of duty on wheat flour produced in the United States which is preferential in respect to the lowest rate of duty imposed by the country with which such agreement has been concluded on like flour produced in any other country; and upon the withdrawal of wheat flour from bonded manufacturing warehouses for exportation to the country with which such agreement has been concluded, there shall be levied, collected, and paid on the imported wheat used, a duty equal to the amount of such assured preference.

(b) Every foreign trade agreement concluded pursuant to this Act shall be subject to termination, upon due notice to the foreign government concerned, at the end of not more than three years from the date on which the agreement comes into force, and, if not then terminated, shall be subject to termination thereafter upon not more than six months' notice.

(c) The authority of the President to enter into foreign trade agreements under section 1 of this Act shall terminate on the expiration of three years from the date of the enactment of this Act.

SEC. 3. Nothing in this Act shall be construed to give any authority to cancel or reduce, in any manner, any of the indebtedness of any foreign country to the United States.

SEC. 4. Before any foreign trade agreement is concluded with any foreign government or instrumentality thereof under the provisions of this Act, reasonable public notice of the intention to negotiate an agreement with such government or instrumentality shall be given in order that any interested person may have an opportunity to present his views to the President, or to such agency as the President may designate, under such rules and regulations as the President may prescribe; and before concluding such agreement the President shall seek information and advice with respect thereto from the United States Tariff Commission, the Department of State, Agriculture, and Commerce and from such other sources as he may deem appropriate.

Approved, June 12, 1934, 9:15 p. m.

16 EXTENSION OF THE RECIPROCAL TRADE AGREEMENTS ACT

[PUBLIC RESOLUTION—No. 10—75TH CONGRESS]

[CHAPTER 22—1ST SESSION]

[H. J. Res. 96]

JOINT RESOLUTION To extend the authority of the President under section 350 of the Tariff Act of 1930, as amended.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the period during which the President is authorized to enter into foreign-trade agreements under section 350 of the Tariff Act of 1930, as amended by the Act (Public, Numbered 316, Seventy-third Congress) approved June 12, 1934, is hereby extended for a further period of three years from June 12, 1937.

Approved, March 1, 1937.

[PUBLIC RESOLUTION—No. 61—76TH CONGRESS]

[CHAPTER 96—3D SESSION]

[H. J. Res. 407]

JOINT RESOLUTION To extend the authority of the President under section 350 of the Tariff Act of 1930, as amended.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the period during which the President is authorized to enter into foreign-trade agreements under section 350 of the Tariff Act of 1930, as amended by the Act (Public, Numbered 316, Seventy-third Congress) approved June 12, 1934, is hereby extended for a further period of three years from June 12, 1940.

Approved, April 12, 1940.

[PUBLIC LAW 66—78TH CONGRESS]

[CHAPTER 118—1ST SESSION]

[H. J. Res. 111]

JOINT RESOLUTION To extend the authority of the President under section 350 of the Tariff Act of 1930, as amended

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the period during which the President is authorized to enter into foreign-trade agreements under section 350 of the Tariff Act of 1930, as amended by the Act (Public, Numbered 316, Seventy-third Congress) approved June 12, 1934, is hereby extended for a further period of two years from June 12, 1943.

SEC. 2. Section 350 (a) (2) of the Tariff Act of 1930 (U. S. C., 1940 edition, title 19, sec. 1351 (a) (2)) is amended by inserting after "because of its discriminatory treatment of American commerce or because of other acts" the following: "(including the operations of international cartels)".

Approved June 7, 1943.

[PUBLIC LAW 130—79TH CONGRESS]

[CHAPTER 269—1ST SESSION]

[H. R. 3240]

AN ACT To extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the period during which the President is authorized to enter into foreign trade agreements under section 350 of the Tariff Act of 1930, as amended and extended, is hereby extended for a further period of three years from June 12, 1945.

SEC. 2. (a) The second sentence of subsection (a) (2) of such section, as amended (U. S. C., 1940 edition, Supp. IV, title 19, sec. 1351 (a) (2)), is amended to read as follows: "No proclamation shall be made increasing or decreasing by more

than 50 per centum any rate of duty, however established, existing on January 1, 1945 (even though temporarily suspended by Act of Congress), or transferring any article between the dutiable and free lists."

(b) The proviso of subsection (b) of such section (U. S. C., 1940 edition, sec. 1351 (b)) is amended to read as follows: "Provided, That the duties on such an article shall in no case be increased or decreased by more than 50 per centum of the duties, however established, existing on January 1, 1945 (even though temporarily suspended by Act of Congress)".

SEC. 3. Such section 350 is further amended by adding at the end thereof a new subsection to read as follows:

"(d) (1) When any rate of duty has been increased or decreased for the duration of war or an emergency, by agreement or otherwise, any further increase or decrease shall be computed upon the basis of the postwar or postemergency rate carried in such agreement or otherwise.

"(2) Where under a foreign trade agreement the United States has reserved the unqualified right to withdraw or modify, after the termination of war or an emergency, a rate on a specific commodity, the rate on such commodity to be considered as 'existing on January 1, 1945' for the purpose of this section shall be the rate which would have existed if the agreement had not been entered into.

"(3) No proclamation shall be made pursuant to this section for the purpose of carrying out any foreign trade agreement the proclamation with respect to which has been terminated in whole by the President prior to the date this subsection is enacted."

SEC. 4. Section 4 of the Act entitled "An Act to amend the Tariff Act of 1930", approved June 12, 1934 (U. S. C., 1940 edition, title 19, sec. 1354), relating to the governmental agencies from which the President shall seek information and advice with respect to foreign trade agreements, is amended by inserting after "Departments of State," the following: "War, Navy,".

Approved July 5, 1945.

[PUBLIC LAW 792—80TH CONGRESS]

[CHAPTER 678—2D SESSION]

[H. R. 6556]

AN ACT To extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Trade Agreements Extension Act of 1948".

SEC. 2. The period during which the President is authorized to enter into foreign trade agreements under section 350 of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1351), is hereby extended from June 12, 1948, until the close of June 30, 1949.

SEC. 3. (a) Before entering into negotiations concerning any proposed foreign trade agreement under section 350 of the Tariff Act of 1930, as amended, the President shall furnish the United States Tariff Commission (hereinafter in this Act referred to as the "Commission") with a list of all articles imported into the United States to be considered for possible modification of duties and other import restrictions, imposition of additional import restrictions, or continuance of existing customs or excise treatment. Upon receipt of such list the Commission shall make an investigation and report to the President the findings of the Commission with respect to each such article as to (1) the limit to which such modification, imposition, or continuance may be extended in order to carry out the purpose of such section 350 without causing or threatening serious injury to the domestic industry producing like or similar articles; and (2) if increases in duties or additional import restrictions are required to avoid serious injury to the domestic industry producing like or similar articles the minimum increases in duties or additional import restrictions required. Such report shall be made by the Commission to the President not later than 120 days after the receipt of such list by the Commission. No such foreign trade agreement shall be entered into until the Commission has made its report to the President or until the expiration of the 120-day period.

(b) In the course of any investigation pursuant to this section the Commission shall hold hearings and give reasonable public notice thereof, and shall afford reasonable opportunity for parties interested to be present, to produce evidence, and to be heard at such hearings.

(c) Section 4 of the Act entitled "An Act to amend the Tariff Act of 1930", approved June 12, 1934, as amended (U. S. C., 1946 ed., title 19, sec. 1354), is hereby amended by striking out the matter following the semicolon and inserting in lieu thereof the following: "and before concluding such agreement the President shall request the Tariff Commission to make the investigation and report provided for by section 3 of the Trade Agreements Extension Act of 1948, and shall seek information and advice with respect to such agreement from the Departments of State, Agriculture, and Commerce, from the National Military Establishment, and from such other sources as he may deem appropriate."

SEC. 4. The Commission shall furnish facts, statistics, and other information at its command to officers and employees of the United States preparing for or participating in the negotiation of any foreign trade agreement; but neither the Commission nor any member, officer, or employee of the Commission shall participate in any manner (except to report findings, as provided in section 3 of this Act and to furnish facts, statistics, and other information as required by this section) in the making of decisions with respect to the proposed terms of any foreign trade agreement or in the negotiation of any such agreement.

SEC. 5. (a) Within thirty days after any trade agreement under section 350 of the Tariff Act of 1930, as amended, has been entered into which, when effective, will (1) require or make appropriate any modification of duties or other import restrictions, the imposition of additional import restrictions, or the continuance of existing customs or excise treatment, which modification, imposition, or continuance will exceed the limit to which such modification, imposition, or continuance may be extended without causing or threatening serious injury to the domestic industry producing like or similar articles as found and reported by the Tariff Commission under section 3, or (2) fail to require or make appropriate the minimum increase in duty or additional import restrictions required to avoid such injury, the President shall transmit to Congress a copy of such agreement together with a message accurately identifying the article with respect to which such limits or minimum requirements are not complied with, and stating his reasons for the action taken with respect to such article. If either the Senate or the House of Representatives, or both, are not in session at the time of such transmission, such agreement and message shall be filed with the Secretary of the Senate or the Clerk of the House of Representatives, or both, as the case may be.

(b) Promptly after the President has transmitted such foreign trade agreement to Congress the Commission shall deposit with the Committee on Ways and Means of the House of Representatives, and the Committee on Finance of the Senate, a copy of its report to the President with respect to such agreement.

Approved June 26, 1948.

[PUBLIC LAW 307—81ST CONGRESS]

[CHAPTER 585—1ST SESSION]

[H. R. 1211]

AN ACT To extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Trade Agreements Extension Act of 1949".

SEC. 2. The Trade Agreements Extension Act of 1948 (Public Law 792, Eightieth Congress) is hereby repealed.

SEC. 3. The period during which the President is authorized to enter into foreign trade agreements under section 350 of the Tariff Act of 1930, as amended and extended, is hereby extended for a further period of three years from June 12, 1948.

SEC. 4. Section 350 (a) of the Tariff Act of 1930, as amended, is hereby further amended by deleting the following therefrom: "in the present emergency in restoring the American standard of living, in overcoming domestic unemployment and the present economic depression, in increasing the purchasing power of the American public, and".

SEC. 5. Section 4 of the Act entitled "An Act to amend the Tariff Act of 1930", approved June 12, 1934, as amended (U. S. C., 1946 edition, title 19, sec. 1354), is hereby amended by striking out the matter following the semicolon

and inserting in lieu thereof the following: "and before concluding such agreement the President shall seek information and advice with respect thereto from the United States Tariff Commission, from the Departments of State, Agriculture, and Commerce, from the National Military Establishment, and from such other sources as he may deem appropriate."

Sec. 6. Section 350 (b) of the Tariff Act of 1930, as amended (U. S. Code, 1946, title 19, sec. 1351 (b)), is amended by changing the colon to a period, by deleting the proviso, and by adding the following: "Nothing in this Act shall be construed to preclude the application to any product of Cuba (including products preferentially free of duty) of a rate of duty not higher than the rate applicable to the like products of other foreign countries (except the Philippines), whether or not the application of such rate involves any preferential customs treatment. No rate of duty on products of Cuba shall in any case be decreased by more than 50 per centum of the rate of duty, however established, existing on January 1, 1945 (even though temporarily suspended by Act of Congress)."

Approved September 26, 1949.

VIEWS OF THE MINORITY

We, the Republican minority urge that, as a bare minimum, the bill, H. R. 1612, be amended to provide:

1. That, with certain modifications as discussed below, the peril-point report provisions established by the Trade Agreements Extension Act of 1948 be reenacted;

2. That the President be directed to prevent the application of reduced tariffs and other concessions made in trade agreements with the free nations to imports from Soviet Russia and Communist China, and to imports from any Communist satellite country (including North Korea) which the President finds is part of a conspiracy against the free world;

3. That, for the purpose of clarification and to facilitate procedures, certain standards be established by the Congress for the guidance of the President in determining relief under the "escape clause;"

4. That the authority of the President to make new trade agreements be extended for a 2-year period instead of a 3-year period.

Our views are directed to an explanation of why it is important in extending the Trade Agreements Act that the Congress take at least these steps to improve the conduct by the State Department of the authority delegated by the Congress in 1934 to reduce tariffs and make other trade concessions affecting our domestic economy.

I. THE PERIL POINTS

To furnish expert bipartisan information for the guidance of the State Department in the conduct of our trade program.

To assist in the fulfillment of the announced policy of preventing serious injury or the threat of it to our workers, farmers, and productive enterprises resulting from improvident tariff cuts and concessions.

To safeguard the health of industries essential to national defense, and to utilize fully the capabilities of the Tariff Commission as an expert fact-finding agency for which it was created by the Congress.

For these reasons the Congress in 1948 directed the bipartisan Tariff Commission to prepare a report for the guidance of the State Department which specified the points below which, in the judgment of the full Tariff Commission, it would be perilous to the existence of our domestic producers of like and similar articles to go in making further tariff cuts and concessions on individual items which had been slated by the State Department for negotiation.

We call attention to the fact that—

1. This peril-point procedure which we recommend will in no way interfere with the President's authority to make future trade agreements; and

2. Under the peril-point procedure, no obligation is imposed upon the State Department to adhere to the Tariff Commission's peril-point findings.

The only objection of any substance to the peril-point safeguard procedure in the 1948 extension act was the requirement that a copy of the complete report of the Tariff Commission, including the items on which concessions did not go below the peril points, was to be furnished the Committee on Ways and Means and the Senate Committee on Finance. It was alleged by the State Department that some dissatisfaction by foreign countries might arise if they learned that their negotiators had not held out for the maximum reduction which the Tariff Commission reported could be made without serious injury, or the threat of it, to our domestic producers. To remove this objection we recommend a change in the peril-point procedure so that the information to be supplied by the Tariff Commission to the Congress will be limited only to those items on which trade agreement concessions go below the peril points.

Thus modified the only basic issue arising from the peril-point procedure is whether the State Department should have the benefit for its guidance of a peril-point report of the bipartisan expert Tariff Commission which we recommend or whether the State Department should conduct this program on only a "calculated risk" basis without adequate safeguards.

Under the peril point procedure, the re-enactment of which we recommend, the President will be required to advise the Congress concerning only those items on which tariff cuts and other concessions have been made which go below the points the Tariff Commission reported would result in serious injury, or the threat of it, to our domestic producers, and to set forth the reasons why he believed it advisable to go beyond these points.

The following is an outline of the peril point procedure contained in the 1948 Extension Act as modified by our recommendation:

1. The President will be required to submit the list of articles to be negotiated to the Tariff Commission.

2. The Tariff Commission must make a factual study of each item and make a report within 120 days to the President. This report will contain the Tariff Commission's findings as to the limit the President might lower or raise duties without causing or threatening serious injury to the domestic industry producing like or similar articles.

3. The Tariff Commission is required to hold hearings.

4. The Tariff Commission is to continue to furnish factual information to the negotiating committees but members of the Tariff Commission may not sit as members of the Committee for Reciprocity Information or the Trade Agreements Committee.

5. If tariff cuts and other concessions are made below the peril point report of the Tariff Commission, the President must identify the articles and state the reasons to the Congress for the action taken with respect to such items.

6. The Tariff Commission is to furnish the Ways and Means Committee and the Finance Committee a copy of its report on only those items which have been cut below the peril point.

II. TRADE AGREEMENTS AND SOVIET RUSSIA, COMMUNIST CHINA AND OTHER IRON CURTAIN COUNTRIES

As the result of the most-favored-nation principle, reductions in duty and other concessions made by the United States with all

countries under the trade agreement program are automatically extended to Russia; Communist China, and all other Communist-dominated countries. We now have trade agreements with approximately 45 free countries covering literally thousands of imported items, and the benefits of all these concessions contained in these agreements are now benefiting Russia; Communist China, and their satellite iron curtain countries.

In the case of Russia, for example, approximately 88 percent of its dutiable imports into the United States benefit from reduced rates provided in trade agreements by us with free countries, and 92 percent of the tax-free imports from Russia consists of products bound on the free list in trade agreements by us with free countries.

In the case of Communist China, 72 percent of the dutiable imports into the United States from that country benefit from trade agreement concessions granted by us to free countries, and 75 percent of the duty-free imports of that country benefit from our concessions to the free nations.

Briefly summarized, similar figures for other iron-curtain countries are as follows:

Poland, 80 percent of the dutiable imports and 79 percent of the free imports.

Hungary, 73 percent of the dutiable imports and 69 percent of the free imports.

Bulgaria, 97 percent of the dutiable imports and 30 percent of the free imports.

Manchuria, 99.8 percent of the dutiable imports and 98 percent of the free imports.

Rumania, 96 percent of the dutiable imports and 84 percent of the free imports.

Detailed statistics on these import figures are contained in appendix A.

It is outrageous that our American soldiers should be fighting the Communists in Korea while at the same time all the Communist countries are enjoying the benefits of concessions made by the United States to the free world without (except in the case of Czechoslovakia) having given the United States a single concession in return. We recommend that this rank and preposterous inconsistency in our foreign policy be removed at once by the denying to Russia and Communist China, and to any Communist satellite country (including North Korea), which the President finds is part of a conspiracy against the free world, the benefit of the reduced rates which we have granted to the free world.

III. THE ESCAPE CLAUSE

The purpose of the peril-point report is to help prevent the "calculated risk" policy of the State Department in negotiating trade agreements from setting fire to the barn.

The purpose of our recommendation relating to the escape clause is to help save the barn after fire strikes and to provide at least some standards of safety to assure that those trapped within the burning walls will have a fighting chance to escape.

The authority of the President to enter trade agreements was delegated to him by the Congress in the 1934 amendment of the Tariff Act of 1930. The 1934 amendment did not, however, itself provide any avenue for escape from serious injury but almost all

trade agreements now contain a so-called escape clause designed to prevent serious injury, or the threat of it, to domestic producers and their workers. The language of the escape clause is as follows:

If, as a result of unforeseen developments and of the effect of the obligations incurred by a contracting party under this Agreement, including tariff concessions, any product is being imported into the territory of that contracting party in such relatively increased quantities and under such conditions as to cause or threaten serious injury to the domestic industry in that territory of like or directly competitive products, the contracting party shall be free, in respect of such product, and to the extent and for such time as may be necessary to prevent or remedy such injury, to suspend the obligation in whole or in part or to withdraw or modify the concession.

As a result of the patent looseness and ambiguity of the language of the escape clause, and as a result of the lack of any standards established by the Congress for the President's guidance in determining when relief should be granted, only one industry has ever been afforded relief by the President under this clause—and this took nearly a year to accomplish.

The facts established during the public hearings on H. R. 1612 brought clearly into focus that the failure of the Congress to lay down any broad principles to guide the President has resulted in the complete ineffectiveness of the escape clause and that this failure is the basis of the well-founded complaints against the present procedure. Because of the complete ineffectiveness of the escape clause, domestic producers, even when they have been injured, feel it is futile to apply to the Tariff Commission for relief. And even when relief is requested the ambiguity of the language in the escape-clause is such that most applications have been dismissed without even a formal investigation. A summary is given in appendix B listing all applications which have been made under the escape clause and showing the disposition of these cases.

In order to remedy this unfortunate situation we recommend that Congress provide certain principles which will guide and assist the President in the administration of the escape clause and expedite the procedure.

The following is a brief outline of the complicated procedure which must be followed under the escape clause at the present time.

1. If a producer in the United States believes that he is being seriously injured as the result of a tariff reduction or other concession made by this country in a trade agreement he must file an application asking the Tariff Commission to make an investigation.

This application must give a great deal of information concerning the applicants' business as outlined in the Commission's Rules of Practice and Procedure.

2. After receiving the application the Commission makes a study to determine whether or not it will order an investigation.

According to the Commission's Rules of Practice and Procedure, an investigation will not be ordered unless imports have actually increased relative to domestic production. The threat or imminence of greatly increased imports, therefore, is not of itself enough to get the Commission to order an investigation. This preliminary study in most cases requires several weeks.

3. If, after this preliminary study, the Commission orders a formal investigation it will hold a public hearing, the usual notice of which is 30 days.

The Commission's staff begins the accumulation of a large volume of statistical data and other information and in virtually all cases a field investigation is made. This hearing and investigation in the case of a large industry is time-consuming and requires several months.

4. After the hearing and investigation, the Commission then begins a study and analysis of the available information and the preparation of a report to the President setting forth its findings.

The time required for this phase of the procedure depends upon the number of producers in the industry, the complexity of the problems involved, and the amount of other work before the Commission. The time required varies from several weeks to many months.

5. After the Commission makes its findings and completes the report, the report is sent to the President.

6. The President is under no obligation whatsoever to take any action. The President is merely required to give the report "his consideration in the light of the public interest."

7. Assuming the President decides to take action under the escape clause he must then notify in writing all the countries which are parties to trade agreements and then must consult with all such countries which have a substantial interest as exporters of the product concerned.

IV. A 2-YEAR EXTENSION

H. R. 1612 extends the President's authority to make new trade agreements from June 12, 1951, to June 12, 1954. In our opinion this is too long a period before the State Department should be required by the Congress to give an accounting of its stewardship of this program. Also, keeping in mind that the effect of this legislation is to delegate to the executive branch of the Government one of the most fundamental responsibilities of the Congress under the Constitution, it is only right that the Congress be required to examine this legislation every 2 years. Accordingly, we recommend that the extension of the President's authority be reduced from the 3-year period to a 2-year period.

DANIEL A. REED,
ROY O. WOODRUFF,
THOMAS A. JENKINS,
RICHARD M. SIMPSON,
ROBERT W. KEAN,
CARL T. CURTIS,
NOAH M. MASON,
THOMAS E. MARTIN,
HAL HOLMES,
JOHN W. BYRNES.

APPENDIX A

United States imports for consumption from U. S. S. R. in 1949¹ of principal commodities on which concessions were granted

[Value in thousands]

Items	Value
Total imports into the United States from U. S. S. R.-----	\$42, 463
Total dutiable imports from U. S. S. R.-----	10, 055
Manganese ore-----	3, 845
Cigarette leaf tobacco, unstemmed-----	1, 866
Plates, mats, linings, etc., of squirrel skin-----	1, 198
Diamonds, cut but unset-----	539
Glycerin, crude-----	354
Household linens, including table damask, towels of flax, etc-----	337
Bristles, sorted, bunched, or prepared-----	271
Hair of cashmere goat-----	216
Feathers for beds-----	114
Essential and distilled oils, not elsewhere specified, not containing alcohol-----	105
Total of items shown above-----	8, 845
Percent of total dutiable items from U. S. S. R., 88.	
Total free imports from U. S. S. R.-----	32, 408
Fur skins, undressed-----	23, 950
Chrome ore-----	3, 933
Sausage casings, sheep, lamb, and goat-----	1, 074
Animal hair, unmanufactured-----	358
Wool, unmanufactured (carpet wool)-----	343
Silk waste-----	148
Total of items shown above-----	29, 806
Percent of total free imports from U. S. S. R., 92.	

¹ Preliminary.

Source: Compiled from official statistics of the U. S. Department of Commerce.

United States imports for consumption from Poland in 1949¹ of principal commodities on which concession was granted

[Value in thousands]

Items	Value
Total imports into the United States from Poland-----	\$3, 155
Total dutiable imports from Poland-----	2, 583
Hams, shoulders, and bacon-----	824
Feathers for beds-----	383
Glass Christmas-tree ornaments and other glass products-----	281
Willow baskets and bags-----	211
Poppy seed-----	188
Flax woven fabrics (including table damask)-----	179
Total items shown above-----	2, 066
Percent of total dutiable imports from Poland, 80.	
Total free imports from Poland-----	572
Naphthalene-----	219
Peat moss, fertilizer grade-----	106
Aluminum scrap ² -----	131
Total items shown above-----	456
Percent of total free imports from Poland, 79.7.	

¹ Preliminary.

² Ordinarily dutiable but imported free of duty by public law.

Source: Compiled from official statistics of the U. S. Department of Commerce.

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United States imports for consumption from Rumania in 1949¹ of principal commodities on which concession was granted

[Value in thousands]

<i>Items</i>	<i>Value</i>
Total imports into the United States from Rumania.....	\$595
Total dutiable imports from Rumania.....	321
Beet pulp, dried.....	206
Feathers for beds.....	103
Total of items shown above.....	309
Percent of total dutiable items from Rumania, 96.	
Total free imports from Rumania.....	274
Fur skins, undressed.....	231
Total of items shown above.....	231
Percent of total free items from Rumania, 84.	

¹ Preliminary.

Source: Compiled from official statistics of U. S. Department of Commerce.

United States imports for consumption from Hungary in 1949¹ of principal commodities on which concession has been granted

[Value in thousands]

<i>Items</i>	<i>Value</i>
Total imports into the United States from Hungary.....	\$1, 659
Total dutiable imports from Hungary.....	1, 349
Feathers, except ostrich feathers.....	805
Blown glass table and kitchen articles and utensils.....	85
Poppy seed.....	33
China and china ornaments, etc., decorated.....	32
Cigarette leaf, unstemmed.....	26
Total of items shown above.....	982
Percent of total dutiable imports from Hungary, 73.	
Total free imports from Hungary.....	310
Furs, undressed.....	99
Aluminum scrap ²	74
Household and personal effects.....	40
Total of items shown above.....	213
Percent of total free imports from Hungary, 69.	

¹ Preliminary.

² Ordinarily dutiable but imported free of duty by Public Law —.

Source: Compiled from official statistics of the U. S. Department of Commerce.

United States imports for consumption from Manchuria in 1949¹ of principal commodities on which concession was granted

[Value in thousands]

Items	Value
Total imports into the United States from Manchuria.....	\$739
Total dutiable imports from Manchuria.....	516
Bristles sorted, bunched, or prepared.....	515
Percent of total dutiable imports from Manchuria, 99.8.	
Total free imports from Manchuria.....	223
Fur skins, undressed.....	141
Horse, mane and tail hair, raw.....	79
Total imports shown above.....	220
Percent of total free imports from Manchuria, 98.	

¹ Preliminary.

Source: Compiled from official statistics of the U. S. Department of Commerce.

NOTE.—Imports from Estonia (\$275), Albania (\$2,887), Latvia (\$3,316), and Lithuania (\$7,202) are insignificant.

United States imports for consumption from China in 1949¹ of principal commodities on which concessions were granted

[Value in thousands]

Items	Value
Total imports into the United States from China.....	\$97, 854
Total dutiable imports from China.....	57, 386
Bristles, sorted, bunched, or prepared.....	16, 528
Linen handkerchiefs, embroidered, etc.....	6, 865
Feathers.....	4, 385
Tungsten ore and concentrates.....	4, 219
Hats—straw, palm leaf, ramie, hemp, etc.....	2, 328
Cotton articles, embroidered, etc., with beads or spangles, other than insertings, edgings, etc.....	1, 560
Firecrackers.....	1, 411
Egg yolks, dried.....	1, 196
Hair of the cashmere goat.....	1, 091
Nets and nettings of human hair.....	902
Menthol, natural.....	835
Straw braids, unbleached, etc.....	790
Vegetables, prepared, including horseradish, etc. ²	778
Cotton handkerchiefs, embroidered, etc.....	744
Total of items shown above.....	43, 632
Percent of total dutiable imports from China, 76.0.	
Total free imports from China.....	40, 468

Tung oil.....	8, 340
Tin bars, blocks, pigs, etc.....	6, 604
Wool in bond for manufacture into carpets, etc.....	4, 598
Undressed furs.....	3, 854
Goat and kid skins, dry and dry salted.....	1, 805
Tea ²	1, 186
Cassia and cassia vera, unground.....	1, 244
Silk, unmanufactured.....	955
Citronella and anise oils.....	926
Artistic antiquities, etc., other than furniture or silverware.....	830

Total of items shown above.....	30, 342
Percent of total free imports from China, 75.0.	

¹ Preliminary.² Not specifically provided for.

Source: Compiled from official statistics of the U. S. Department of Commerce.

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United States imports for consumption from Bulgaria in 1949¹ of principal commodities on which concession was granted

[Value in thousands]

Items	Value
Total imports into the United States from Bulgaria.....	\$1, 937
Total dutiable imports from Bulgaria.....	1, 612
Cigarette leaf (other than Latakia leaf type), unstemmed.....	1, 556
Percent of total dutiable imports from Bulgaria, 96.5.	
Total free imports from Bulgaria.....	² 325
Goat and kid skins, dry and dry salted.....	98
Percent of total free imports from Bulgaria, 30.2.	

¹ Preliminary.

² Imports of rose oil amounted to \$201,000. This was a nonconcession item.

Source: Compiled from official statistics of the U. S. Department of Commerce.

United States imports for consumption from Czechoslovakia in 1949¹ of principal commodities on which concession was granted

[Value in thousands]

Items	Value
Total imports into the United States from Czechoslovakia.....	\$19, 927
Total dutiable imports from Czechoslovakia.....	18, 736
Jutes, burlaps, bleached, etc.....	2, 518
Imitation precious and semiprecious stones, not faceted.....	2, 057
Hops, valued 50 cents or more per pound.....	1, 730
Beads, including bugles ²	1, 604
Illuminating articles, prisms, chandeliers, etc., of glass.....	1, 206
Jewelry, valued over 50 cents, not over \$5 per dozen pieces.....	1, 181
Hats of fur and fur felt.....	1, 129
Artificial or ornamental fruits, vegetables, flowers, etc.....	587
Rubber boots, shoes, and overshoes.....	471
Household linens, including table damask, towels, etc., of flax.....	417
Flax manufactures, not elsewhere specified.....	388
Cotton cloth (pars. 904 and 905).....	354
Table and kitchen articles of glass.....	336
Wool carpets.....	330
Feathers for beds.....	251
Woven fabrics of flax for paddings, etc.....	248
Barley malt.....	171
Wool knit hats.....	166
Wool yarn.....	136
Chocolate, sweetened.....	124
Total of items shown above.....	15, 404
Percent of total dutiable items from Czechoslovakia, 82.	
Total free items from Czechoslovakia.....	1, 191
Naphthalene.....	551
Aluminum scrap ³	127
Total of items shown above.....	678
Percent of total free items from Czechoslovakia, 58.	

¹ Preliminary.

² Not specifically provided for.

³ Ordinarily dutiable but imported free of duty by public law.

Source: Compiled from official statistics of the U. S. Department of Commerce.

APPENDIX B

UNITED STATES TARIFF COMMISSION
WASHINGTON*Applications for investigations under escape-clause provisions of trade agreements*

Commodity	Name and address of applicant	Date received	Status
1. Marrons-----	G. B. Raffetto, Inc., New York, N. Y.	Apr. 20, 1948	Dismissed without formal investigation, Aug. 27, 1948.
2. Whiskies and spirits-----	United States Distillers Tariff Committee, Washington, D. C. (application filed on behalf of 28 distilling companies).	Sept. 7, 1948	Dismissed without formal investigation, Jan. 3, 1949.
3. Spring clothespins-----	The DeMeritt Co., Waterbury, Vt. (6 other producers).	Nov. 10, 1948	Formal investigation ordered Apr. 27, 1949. Completed Dec. 20, 1949. No modification in concession recommended.
4. Knitted berets, wholly of wool.	The American Basque Berets, Inc., New York, N. Y.	Feb. 11, 1949	Dismissed without formal investigation, July 8, 1949.
5. Crude petroleum and petroleum products.	Independent Petroleum Association of America, Washington, D. C.	Feb. 15, 1949	Dismissed without formal investigation, May 3, 1949.
6. Hops-----	United States Hop Growers Association, San Francisco, Calif.	Mar. 28, 1949	Dismissed without formal investigation, May 11, 1949.
7. Reeds, wrought or manufactured from rattan or reeds, cane wrought or manufactured from rattan, cane webbing, and split or partially manufactured rattan, n. s. p. f.	American Rattan & Reed Manufacturing Co., Brooklyn, N. Y.	May 20, 1949	Dismissed without formal investigation, Feb. 17, 1950.
8. Narcissus bulbs-----	Northwest Bulb Growers Association, Sumner, Wash.	June 9, 1949	Dismissed without formal investigation, Jan. 13, 1950.
9. Sponges, n. s. p. f-----	Sponge Industry Welfare Committee, Chamber of Commerce, Board of City Commissioners, Greek Community, all of Tarpon Springs, Fla.	June 14, 1949	Dismissed without formal investigation, July 22, 1949.
10. Knit gloves and knit mittens finished or unfinished wholly or in chief value of wool; gloves and mittens embroidered in any manner, wholly or in chief value of wool; gloves or mittens, knit or crocheted, finished or unfinished, wholly or in chief value of cotton.	Association of Knitted Glove and Mitten Manufacturers, Gloversville, N. Y.	Aug. 5, 1949	Action deferred to study further developments, Nov. 22, 1949.
11. Knitted berets, wholly of wool (2d application).	The American Basque Berets, Inc., New York, N. Y.	Nov. 23, 1949	Dismissed without formal investigation, Jan. 13, 1950.
12. Woven fabrics in the piece, wholly of silk, bleached, printed, dyed, or colored, and valued at more than \$5.50 per pound.	Textile section of the manufacturers division of the Greater Paterson Chamber of Commerce, Paterson, N. J.	Jan. 5, 1950	Dismissed without formal investigation, Sept. 21, 1950.
13. Women's fur felt hats and hat bodies.	The Hat Institute, Inc., United Hatters, Cap & Millinery Workers International Union, New York, N. Y.	Jan. 24, 1950	Investigation completed. Certain of the concessions withdrawn.
14. Stencil silk, dyed or colored.	Albert Godde Bedin, Inc., New York, N. Y.	Jan. 30, 1950	Pending.
15. Beef and veal, fresh, chilled, or frozen.	Western States Meat Packers Association, San Francisco, Calif., and Washington, D. C.	Mar. 16, 1950	Dismissed without formal investigation, June 30, 1950.
16. Aluminum and alloys, in crude form (except scrap); aluminum in coils, plates, bars, rods, etc.	Reynolds Metals Co., Louisville, Ky.	Mar. 24, 1950	Dismissed without formal investigation, Nov. 21, 1950.
17. Aluminum and alloys, in crude form (except scrap); aluminum in coils, plates, bars, rods, etc.	Kaiser Aluminum & Chemical Corp., Washington, D. C.	Apr. 7, 1950	Do.

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Applications for investigations under escape-clause provisions of trade agreements— Continued

Commodity	Name and address of applicant	Date received	Status
18. Lead-bearing materials, lead and lead scrap.	Emergency Lead Committee, New York, N. Y.	May 11, 1950	Pending.
19. Lead-bearing materials, lead and lead scrap.	Mew Mexico Miners & Prospectors Association on behalf of lead producers of New Mexico, Albuquerque, N. Mex.	May 16, 1950	Do.
20. Hatters' fur, or furs not on the skin, prepared for hatters' use, including fur skins carroted.	The Hatters' Fur Cutters Association of the U. S. A., New York, N. Y.	June 22, 1950	Formal investigation ordered Jan. 5, 1951.

SECTION 22-AAA

Edible tree nuts.....	-----	-----	Investigation ordered Apr. 13, 1950.
Harsh or rough cotton having a staple of 1½ in.	-----	-----	Investigation ordered June 30, 1950. Hearing held July 18, 1950. Report to President Aug. 14, 1950.

SECTION 336

Grape wines containing more than 4 percent alcohol.	National Association of Alcoholic Beverages.	June 30, 1950	Dismissed Sept. 15, 1950.
Almonds.....	Almond Growers Exchange, California.	July 8, 1948	Report to President November 1949.

SECTION 337

Pistol - simulating cigarette lighters.	Gunlite, Inc., New York City.	July 26, 1950	Dismissed Sept. 15, 1950.
Rubber catheters.....	Davol Rubber Co., Providence, R. I.	-----	Dismissed Nov. 23, 1950.



82d CONGRESS
1ST SESSION

H. R. 1612

[Report No. 14]

IN THE HOUSE OF REPRESENTATIVES

JANUARY 17, 1951

Mr. DOUGHTON introduced the following bill; which was referred to the Committee on Ways and Means

JANUARY 29, 1951

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

To extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Trade Agreements
4 Extension Act of 1951".

5 SEC. 2. The period during which the President is au-
6 thorized to enter into foreign-trade agreements under section
7 350 of the Tariff Act of 1930, as amended and extended,
8 is hereby extended for a further period of three years from
9 June 12, 1951.

82d CONGRESS
1st Session

H. R. 1612

[Report No. 14]

A BILL

To extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

By Mr. DOUGHTON

JANUARY 17, 1951

Referred to the Committee on Ways and Means

JANUARY 29, 1951

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Jan 31

that better element will come up. And I think we will have demonstration after demonstration of that in the United States in years to come.

The SPEAKER pro tempore (Mr. MARTIN of Massachusetts). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the resolution was unanimously agreed to.

The SPEAKER. Members of the House of Representatives, to all who have spoken and have uttered the generous words about me and my service, I am deeply grateful, and to every Member of this House, regardless of which side of the aisle you sit upon today, I want to thank you from the bottom of a grateful heart for the manifold courtesies and kindnesses of which I have been the recipient at your hands.

It has been a long time since March 4, 1913. It has covered a period in our history when prosperity has been with us, when depressions have been with us, and when national crises have been upon us. Serving with more than 2,500 men and women since I became a Member of this House, I still have the faith to believe that our country, as long as it is served by such men and women as these, is safe, that we will remain free, and that this great democracy will live on to serve. I know—I do not just think I know—as when crises of the past have come, if they come again, when the supreme test of the Nation comes, when its preservation is the question, these men and women of this House of Representatives will think and speak and act together for the preservation and the perpetuity of these priceless liberties that we enjoy.

It is a great thing to be chosen as a Member of this greatest of all popular legislative bodies. One term even for a constituency to trust a man or woman to speak their mind and cast their vote here is something to remember; but by the partiality and the graciousness and the confidence of one's colleagues to have been elevated to the high position that your favor has brought me to is a distinction that should satisfy the ambition of any man. I am one man in public life who has achieved every ambition he ever had.

Let me say to you again that I am grateful from the bottom of a grateful heart and I thank you.

THE LATE FRANKLIN DELANO ROOSEVELT

Mr. McCORMACK. Mr. Speaker, due to the untimely death of our late beloved colleague, John Sullivan, of Missouri, the House adjourned yesterday in accordance with custom, transacting no business at all. Because of that situation it was impossible for Members to make their remarks on a very important event that happened 69 years ago yesterday in the birth of one of the outstanding Americans of all time, a man who devoted his entire life in the service of his State and country, both in time of peace and in time of war, and who became the Chief Executive of our beloved country. Yesterday was the sixty-ninth anniversary of the birth of the late lamented but immortal Franklin Delano Roosevelt.

Few figures in the passage of time, in the known history of man, have made their imprint on the minds of men more indelibly than has Franklin D. Roosevelt. Two and more generations from now, when the history of his day and era is written impartially and objectively by historians, projecting my mind into the future as far as it is humanly possible for me to do so, and analyzing the minds of such historians, it is my confident prediction that he will be numbered among the great constructive figures of all minds in the known history of man as great humanitarian, a man who devoted his entire life to the sick, the oppressed, the exploited, the underprivileged, a man who led our country in time of great economic conflagration and rebuilt it; a man who led our country in time of war; a man whose life of leadership has been marked with the word "success." It is only fitting and proper, as we did before in the case of President McKinley, in honoring that great American, to pause today, delayed 24 hours, to honor the memory of a great man, a great American. No matter how one might have disagreed with him in life, I am sure that everyone who served in this body and every American have deep respect for the high motives that our late President entertained in giving our country the leadership he did during the many years he was our Chief Executive. So I pause to pay tribute to one whom I knew personally. To me it is worth living to have known the late Franklin D. Roosevelt, one whom I deeply respected as a public official and one who, in my opinion, the historians of tomorrow will number among the five greatest constructive figures in the history of all times.

COMMITTEE ON BANKING AND CURRENCY

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may sit during the session of the House during general debate today.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

EXTENSION OF REMARKS

Mr. McCORMACK asked and was given permission to extend his remarks in the Appendix of the Record in three instances and include extraneous matter.

Mr. CARNAHAN asked and was given permission to extend his remarks in the Record and include an editorial.

Mr. FLOOD asked and was given permission to extend his remarks in the Record and include an editorial.

Mr. MITCHELL asked and was given permission to extend his remarks in the Appendix in two instances and include extraneous matter.

Mr. DOUGHTON asked and was given permission to revise and extend his remarks by inserting in the Record certain letters and data in connection with the speech he will make on the bill under consideration, H. R. 1612.

Mr. PHILLIPS asked and was given permission to extend his remarks and

include a resolution from the California State Legislature.

Mr. POULSON asked and was given permission to extend his remarks in three instances and include extraneous matter.

Mr. DONDERO (at the request of Mr. REED of New York) was given permission to extend his remarks.

Mr. GAVIN asked and was given permission to extend his remarks and include a newspaper article.

Mr. VAN ZANDT asked and was given permission to extend his remarks in two instances.

Mr. LATHAM asked and was given permission to extend his remarks in three instances and include extraneous matter.

TRADE AGREEMENTS EXTENSION ACT OF 1951

Mr. SMITH of Virginia. Mr. Speaker, I call up House Resolution 103 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 1612) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes. That after general debate, which shall be confined to the bill and continue for 1 day, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SMITH of Virginia. Mr. Speaker, I yield 30 minutes to the gentleman from Oregon [Mr. ELLSWORTH], and now yield such time as he may desire to the majority leader, the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, I desire to make two brief announcements. First, may I say that the following-named Members will be the official objectors on the Democratic side for the Eighty-second Congress for the Consent Calendar and the Private Calendar: The gentleman from Arkansas [Mr. TREMBLE], the gentleman from North Carolina [Mr. DEANE], and the gentleman from Colorado [Mr. ASPINALL].

I also desire to announce that a number of Members of the House will attend the funeral of our late friend, John Sullivan, of Missouri. The requiem mass on the occasion of his burial will take place on Friday morning. Due to the weather difficulties now prevailing, arrangements will have to be made for them to leave early this evening in order to be sure they will arrive in time to attend the funeral. Consequently, the general debate on the reciprocal trade agreements bill will take place today, but the consideration of the bill under the 5-minute rule will be postponed until Monday next.

Mr. ELLSWORTH. Mr. Speaker, I yield 3 minutes to the gentlewoman from Massachusetts [Mrs. ROGERS].

(Mrs. ROGERS of Massachusetts asked and was given permission to revise and extend her remarks and include an article appearing in the Lowell Sun of Saturday, January 27.)

Mrs. ROGERS of Massachusetts. Mr. Speaker, those of you who were listening to Ray Heule's Three Star Extra on the air last night heard Ned Brooks, one of that trio of Three Stars, speak of the fact that the armed services were drafting into the Army and the Navy a large number, over 400 of the Veterans' Administration doctors and over 303 nurses have been called to the armed services; dentists are being taken also.

Mr. Speaker, it is unfair to take away from the veterans who have given so much for us, the battle-wounded and the ill, the mentally and physically ill veterans, their fine care. This is the second time this sort of thing has happened, because during World War II some of the very best doctors of the Veterans' Administration were drafted into the Army and the Navy. Finally after pleas by the Veterans' Administration and me, the Veterans' Administration doctors were given military status. That plan was helpful.

I have been working on this matter for some time but have been unsuccessful thus far. The Veterans' Administration has the finest medical and surgical service in the world today. It is poor appreciation of our disabled to take that service, that care away from them. The Veterans' Administration doctor should be given the same rank as is given the doctors in the Army and the Navy, and the nurses, too, should have the same rank. Then that very fine care could continue. The interest of Veterans' Administration three star extra should be very helpful in bringing about the results we desire.

Go into any ward today in the hospitals, and you can see the horrible mutilations that have taken place in this Korean War. Certainly when these men are discharged they should receive the very best of care. They should be given their chance to have everything they can to be physically and mentally rehabilitated.

Mr. Speaker, at Walter Reed Hospital there is a boy named Troilo. He was given an ovation in Constitution Hall when he was introduced at the Very Important Persons performance recently which was given for the aid of the veterans. Soldier Troilo is a double amputee. Before leaving Fort Devens in my district for Korea he met and became engaged to a very fine Lowell girl. That man is a Pennsylvanian, but love of a woman is going to make him a constituent of my district. We welcome him and will give him all honor.

[From the Lowell (Mass.) Sun of January 27, 1951]

LOWELL WOMAN TO MARRY WIDELY KNOWN ARMY AMPUTEE—JUDY PAGE, 20, OSGOOD AVENUE, ENGAGED TO PFC ANTHONY J. TROILO, KOREAN WAR HERO

LOWELL.—An attractive 22-year-old Osgood Avenue woman sat close by her radio last Thursday night and her eyes sparkled as she heard the tremendous 12-minute ovation

bestowed on an Army amputee by President Truman and a group of Washington VIPS.

The occasion was the VIP amateur show of the Women's National Press Club at Constitution Hall and the special guest of the evening was Pfc Anthony J. Troilo, of Norristown, Pa., fiancé of Miss Judy Page, of 20 Osgood Avenue in West Centralville.

TOASTED BY NATION'S LEADERS

Her legless husband-to-be was being toasted by the Nation's highest leaders and the wife of the Vice President of the United States, Mrs. Alben Barkley, was pushing his wheel chair onto the stage while the plaudits of the large crowd rang in the ears of the Korean veteran.

She found it impossible to hold back the tears a few minutes later when the soft voice of her beloved began reciting the verse of the Battle Hymn of the Republic. Judy could visualize the emotionally thrilling moments as the President and Mrs. Truman, Vice President and Mrs. Barkley, and Representative Sam Rayburn and a host of other notables sat listening to her boy friend recite the famous verse.

The young couple have been planning their wedding day for almost 2 years. Luck hasn't been with them, until now.

Judy and Tony, a Purple Heart veteran of World War II, met while he was stationed at Fort Devens. During Tony's first Christmas at Fort Devens in 1949, he was invited to the Page home for a holiday dinner, and it was then that a romance blossomed. A few months later after their initial meeting they decided to be married.

The two settled on a date in the following July for the wedding but a month before the wedding was to take place Tony was informed that his outfit would be shipping out for Korea soon.

So the two young lovers decided to postpone the wedding until he was discharged from the service, which he thought would be in a couple of months. Fate had a different view on the matter.

TAKEN PRISONER

It was with his unit, C Battery, Tenth Field Artillery Battalion, Third Infantry Division, while they were racing toward the Manchurian border that they were ambushed and he was captured by the North Koreans.

The second day after his capture, Tony was turned over to the Chinese Communists who held him and many of his buddies prisoners for 20 days before he was finally liberated by units of the Twenty-fourth Army Division.

SUFFERED FROSTBITE

During the time he was captured, Tony was put into a flimsy wooden shack and had his shoes taken away from him. He was kept there for 10 days in freezing weather, and it was during this period that Tony received a serious case of frostbite which eventually led to the amputation of both legs below the knees in an Army hospital in Japan.

When Judy heard of the amputation of Tony's legs, she was naturally pained, not for herself, but for Tony, who she knew had suffered through a tremendous ordeal. She attended church every day and prayed that Tony would recover and be returned to her. God must have heard her pleadings, for Tony will recover and will return to Judy.

Tony was flown from Japan early in December to the United States and the Walter Reed Army Hospital in Washington, D. C., where he will undergo further surgery for the removal of six more inches from both legs.

GUEST OF DREW PEARSON

A few days before Christmas, Drew Pearson, syndicated Washington columnist, heard Tony's story and asked him to appear on his Sunday-night-before-Christmas radio program and, as an added treat, invited Judy

and her mother for a 4-day all-expenses-paid trip to the Nation's capital for a visit with Tony.

Judy and Tony continue, as they have since he went overseas, to correspond every day and make plans for their wedding day, which they hope and pray will take place sometime this year. According to Judy, they will make their home in Lowell, where, as Tony told his fiancée, "he feels at home."

Mr. ELLSWORTH. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, while we may differ in our votes on the bill, I think we all agree that the rule, House Resolution 103, providing for the consideration of the bill (H. R. 1612) to extend the Reciprocal Trade Agreements Act, should be adopted, and the measure brought to the floor for debate.

I have taken this time this morning, Mr. Speaker, for the purpose of correcting an evident misunderstanding. I am a national committee member. In the last few days, there has been a great deal of publicity in the newspapers, and some statements have been made on the floor of another legislative body, relative to the power and influence of national committee members in connection with certain appointments to positions in the new agencies of Government which have been created to meet the grave national emergency which confronts us. So I want to make this statement: I have not been approached by any public official or representative of this administration with the request that I, as a member of the national committee make any endorsement or recommendation of any person who has sought or has been appointed to any of these new positions which have been so lately created.

I have checked with two of my colleagues on the national committee, the gentlewoman from Indiana [Mrs. HARDEN] and the gentleman from Tennessee [Mr. REECE], and they advise me they have not been so approached. So after a rather careful, and prolonged study and investigation, I find that if this rule that all patronage matters must be cleared with the members of the national committee, as charged, is in effect it does not apply to the membership national committee to which Mrs. HARDEN, Mr. REECE, and I belong. I wish to make it very clear that we are members of the Republican National Committee, and as such, we have not been bothered at any time, or consulted or contacted, concerning any of these appointments to jobs downtown, as some people may think we have been.

So I hope that those who do seek such appointments in these great war agencies to these new jobs that have been created because of this great national emergency will realize none of the three of us has anything to do with such patronage matters. Whether any other committee member has any influence in connection with selecting these new job holders, I do not know; but, always being very honest and frank with my colleagues, I might say to the gentleman from Tennessee, I am rather suspicious that perhaps there is some foundation for these reports of political influence

dominating the employment situation here in Washington, because, bearing a rather honorable but common name, I sometimes get calls actually meant for other Members of the House having names similar to mine, and before the caller finds out from which State I come, am consulted on Federal patronage matters. But I do want to make it clear that it has not been the practice of this administration to consult the members of the Republican National Committee in connection with any dispensation of Federal jobs, as has been so freely discussed in the other body, and in the columns of the press, during recent days.

Mr. SMITH of Virginia. Mr. Speaker, I yield 1 minute to the gentleman from Louisiana [Mr. LARCADE].

Mr. LARCADE. Mr. Speaker, I paid tribute, along with other Members of the House, to the great service of our great Speaker, as will appear in the Record, but at this time I am reminded that today another Government employee rounds out 49 years of service: Mr. Joseph H. McGann, who has been with the Committee on Rivers and Harbors for 49 years.

I ask unanimous consent, Mr. Speaker, that I may revise and extend my remarks, and that the same be printed in the Appendix of the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. SMITH of Virginia. Mr. Speaker, the resolution under consideration makes in order the bill (H. R. 1612) which is the usual extension of the Reciprocal Trade Agreements Act which we have had heretofore. The resolution provides for 1 day of general debate. As I understand it, the general debate will continue throughout the day, and the vote will be taken later. I have no request for time on this side, Mr. Speaker. I therefore move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. DOUGHTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 1612) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 1612, with Mr. WALTER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the debate will continue throughout the day, with the time equally divided and controlled by the gentleman from North Carolina [Mr. DOUGHTON] and the gentleman from New York [Mr. REED].

The gentleman from North Carolina is recognized.

Mr. DOUGHTON. Mr. Chairman, I yield myself 25 minutes.

(Mr. DOUGHTON asked and was given permission to revise and extend his remarks.)

Mr. DOUGHTON. Mr. Chairman, I feel very much honored by this large attendance here today, since almost the full membership of the House have come here for discussion of this very important resolution under consideration.

Mr. Chairman, H. R. 1612, the pending bill, would extend for another 3 years from June 12, 1951, the authority of the President to enter into foreign-trade agreements under section 350 of the Tariff Act of 1930. It will be remembered that the original trade agreements legislation in 1934 was conceived as a basic change in the American tariff philosophy embodied in the Smoot-Hawley Tariff Act, which established the highest tariff schedules in our history. At the time of enactment of the Smoot-Hawley tariff law, the most eminent economists in the country warned of the potential dangers from its enactment. Although its sponsors predicted that it would bring about unparalleled prosperity, we were soon to experience our worst economic catastrophe.

It was in this setting that the Honorable Cordell Hull, one of the most honored and revered statesmen and greatest public servants our country has given to the world, conceived the reciprocal trade program for adjustment on a mutually reciprocal basis with other nations of the barriers to world trade. This is the picture which he presented to the Committee on Ways and Means on March 8, 1934—and my colleagues will well remember that he had served for 18 years on the Committee on Ways and Means before he left the Congress. He said:

Extreme obstructions to international trade inevitably result in serious economic controversies or wars, the minimum of commerce between nations, constant overproduction through lack of facilities for distribution, together with every sort of artificial device to deal with the domestic price situation, vast idleness of labor, and emigration of capital into thousands of foreign industrial plants, to say nothing of the difficulties of effecting transfers of debt service due from one country to another. The alternative policy would appear to comprise a liberalization of the existing obstructions and restrictions by degrees and over a period of time through careful trade arrangements, to a more moderate and reasonable basis.

The Committee on Ways and Means agreed with the policy recommendations of Secretary of State Hull. The committee concluded in its report on the trade agreements bill:

To meet the present world situation the first feasible step is to enable the Executive to enter upon a program of bargaining agreements with other nations. The very nature of international negotiation requires that it should be in the hands of the Executive; and to meet an international condition where foreign executives are being clothed with ever greater and greater power to effectuate speedy trade agreements, the United States, if it is to regain its lost proportion of world trade, must repose similar confidence in its President.

The proposed bill nevertheless does not remove from Congress its control of policy which must underlie every tariff adjustment. Although the exigencies of present-day conditions require that more and more of the details be left to Presidential determination, the Congress must and always will declare the policy to which the Executive gives effect.

OPERATION OF THE TRADE AGREEMENTS ACT

Since the original enactment in 1934, the administration of the reciprocal trade program has been reviewed by the Congress on six previous occasions. Except for the Trade Agreements Act of 1948, enacted when opponents of the reciprocal trade program were in control of the Congress, the legislation on each occasion has been extended in substantially its original form. The procedures under existing law are as follows:

AGENCIES REPRESENTED ON THE TRADE AGREEMENTS COMMITTEE

First. The statute vests the trade-agreements authority in the President, and he is responsible for the decisions involved in making a trade agreement. In making decisions under the Trade Agreements Act, the President is required by law to consult the Departments of State, Commerce, Agriculture, and Defense, and the Tariff Commission. In actual practice, the President calls upon not only these departments and agencies, but also other departments represented on the Trade Agreements Committee, including the Departments of Labor, Interior, and the Treasury, and also the Economic Cooperation Administration.

INITIAL SELECTION OF ITEMS FOR POSSIBLE NEGOTIATIONS

Second. The Trade Agreements Committee analyzes our trade with a particular country and selects items which we export to that country upon which concessions might be made and articles imported into this country upon which tariff concessions might be made. The list of articles imported into the United States is submitted by the Trade Agreements Committee to the President for approval.

PUBLIC HEARINGS

Third. When the President has approved the list of imports suggested for negotiation, hearings are scheduled to obtain the views of all interested persons and groups. This may be accomplished by filing a written memorandum, although most parties also appear in person. After the hearing is concluded, the record is reviewed by a subcommittee which recommends whether a concession would be justified and if so what the extent of the concession should be. These recommendations are then reviewed by the entire Trade Agreements Committee and the recommendations of the committee, together with any dissenting views, are forwarded to the President for final decision.

A similar procedure is followed with respect to concessions on American exports which may be scheduled for negotiation.

REVIEW BY THE PRESIDENT

Fourth. The President reviews the recommendations of the Trade Agreements Committee and, in the event of disagreement, decides what course shall be followed. He then instructs the

United States negotiators what concessions they may make, provided they can get from the negotiating country the concessions which are being asked.

NEGOTIATION OF A TRADE AGREEMENT

Fifth. The actual negotiation is conducted by a team consisting usually of representatives of the Department of State, the Tariff Commission, and the Department of Commerce, as well as representatives from other departments with a particular interest in the items being negotiated.

In recent years the United States has taken the lead in arranging for negotiations among several countries at the same time. At Geneva in 1947, the United States and 22 other countries negotiated tariff concessions simultaneously, and all concessions made by one country to another country were also made available to the other nations participating. These concessions are embodied in the General Agreement on Tariffs and Trade. Similar multilateral negotiations were conducted in France in 1949 and are in process in England at the present time.

THE ESCAPE CLAUSE

Sixth. In every trade agreement negotiated since 1943, an escape clause has been inserted under which a concession may be withdrawn if it is found that as a result of unforeseen circumstances and of the concession, imports are causing or threatening serious injury to a domestic industry. It is indicative of the care with which trade agreements have been negotiated that, although the United States has made concessions on several thousand items in trade agreements that contain the escape clause only 20 applications for investigations, covering 17 products, have been filed with the Tariff Commission. Of these applications, only one, involving women's fur felt hats and hat bodies, has been found by the Tariff Commission to justify action.

This is how the Trade Agreements Act was conceived and how it has been administered.

ACHIEVEMENTS OF THE RECIPROCAL TRADE PROGRAM

We now have trade agreements in effect with 45 other countries, with which, in 1949, we carried on about 75 percent of our foreign trade. These countries and ourselves together carry on about 82 percent of the total trade of the world. I believe it a fair summation of the testimony before the Committee on Ways and Means that no representative of an American industry presented any convincing evidence that it had either been seriously injured or threatened with serious injury as a result of concessions made under the Trade Agreements Act. As has been the case over the years, the opponents of the trade-agreements legislation rest their case upon the vague and thus far illusory fear that sometime in the future they might suffer some injury.

On the other hand, American industries which rely heavily on export markets have benefited materially by the adjustments made by other nations in trade agreements with this country. Those who express such great concern for the

welfare of domestic industry, mining, and agriculture might well take into account that in 1949 the United States exported 39 percent of our production of wheat; 32 percent of our raw cotton; 25 percent of the leaf tobacco and turpentine; 24 percent of the lard; 17 percent of the soybean oil and 10 percent of the soybeans; 13 percent of our condensed, evaporated, and dried milk.

We exported, in 1949, 25 percent of all lubrication oil, 30 percent of our paraffin wax, and 12 percent of our anthracite coal.

Our exports of manufactured articles included 32 percent of all machine tools; 20 percent of all agricultural machinery—1948 figure; almost 10 percent of all cotton cloth and duck; about 9 percent of the broad-woven synthetic fabrics, such as rayon and nylon; and over 8 percent of all iron and steel products, including over 15 percent of the tinplate, 12 percent of heavy structural shapes, and 11 percent of the rails.

The welfare of these exporting industries and of others, with total employment of around 40,000,000, has been greatly enhanced by the concessions which have been obtained through the reciprocal trade program. In 1947 at least 2,400,000 workers were engaged in production for export alone. Moreover, the concessions granted by the United States have enhanced the ability of other countries to purchase the goods which we have to sell.

THE 1948 PERIL-POINT AMENDMENT

Despite this record of achievement, which has been generally acclaimed by organizations representing industry, agriculture, labor, and the American consumer, and which has been approved in editorials of the vast majority of the American press, the following crippling limitations upon these tried and tested procedures were imposed by the Trade Agreements Extension Act of 1948:

First. The President was prohibited from negotiating any trade agreement until he had received a report from the Tariff Commission fixing a peril-point or minimum-tariff level on each article to be considered for possible modification of duties or until 120 days had elapsed. Just what does this mean? The effect is to superimpose the judgment of the Tariff Commission over the collective judgment of the Trade Agreements Committee, consisting of all the interested departments and agencies of the Government in the negotiation of reciprocal trade agreements.

Second. The Tariff Commission could no longer be represented on the Trade Agreements Committee and would be precluded from consulting with the President in preparing for trade-agreement negotiation.

Third. In the actual negotiation of a trade agreement with tariff experts of foreign countries, the President was denied the participation and assistance of some of the best qualified personnel in our own Government—the members of the Tariff Commission and their staff.

Fourth, if the President, in the overall national interest, decided to negotiate a reduction in tariff rates below the minimum recommended by the Tariff Com-

mission, whose only concern was the protection of American producers, he had to justify publicly his action to the Congress.

These restrictions were found by the Committee on Ways and Means and the Congress in 1949 to be both unwise and unnecessary. They are again advanced by opponents of reciprocal trade agreements, who do not dare openly to advocate complete repeal of the legislation.

CONCLUSION

It is my judgment that the expansion of international trade and the elimination of trade barriers provide a stable foundation upon which to build a sound foreign economic policy. The trade-agreements program, in my opinion, is the best method yet devised, tested by the experience of 17 years, of attaining these goals.

I understand that several amendments may be offered to improve the program and to perfect the techniques for negotiating trade agreements. I believe that, in addition to the substance of such amendments, it may be well to take into account their sponsorship. I suspect that they may be offered by Members who, over the years, have been among the staunchest opponents of the trade-agreements legislation. Now, like Greeks bearing gifts, they seek to aid us. Having found that they could not kill the reciprocal trade program by frontal assault, they have now embarked on a flank attack.

The record of recent multilateral negotiations bespeaks the success with which the program is being administered. These activities, in turn, help to insure the realization of the greatest possible benefit from our Marshall-plan aid. It would seem fruitless to revive the production of the factories and farms of the war-torn countries, if the most efficient use of this production is to be prevented by barriers to trade. And the maximum collective economic strength of the free nations is now essential to our military security in the days ahead.

It was my privilege to sponsor the original legislation to implement the Hull reciprocal trade program in a period of economic crisis. I am as proud of the sponsorship of that measure and of every genuine bill to extend the life of the trade-agreements program as I am of any bill that I have introduced in my 40 years in the Congress.

It is my earnest conviction that the extension of the program for another 3 years is fully as important to our national welfare as was its enactment in the first instance.

Mr. VURSELL. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Illinois.

Mr. VURSELL. I am very much interested in the splendid talk the gentleman is making, pointing out the possible operation of the escape clause over the last number of years. I should like to inquire of the gentleman if our Government has made use of the escape clause to any considerable extent since these treaties were enacted, in which the escape clause was written.

Mr. DOUGHTON. I will be very glad to answer. It is my understanding that dozens of agreements have been negotiated and entered into making concessions on thousands of articles, and only in about 20 instances have there been even a request for consideration under the escape clause, or has there been complaint that any industry was injured or threatened with injury.

Mr. VURSELL. Mr. Chairman, if the gentleman will yield further?

Mr. DOUGHTON. I will be glad to.

Mr. VURSELL. I happen to be interested in this matter because of the Elgin Watch Co. and other people engaged in the manufacture of jeweled watches who I happen to know have done practically everything within their power in the past to get the use of the escape clause. Does the gentleman have in mind or recalls whether or not the escape clause has yet been applied for the protection of the American watch industry?

Mr. DOUGHTON. I believe there was no escape clause in the trade agreement with Switzerland until recently. It was in that agreement that the concession on jeweled-watch movements was made. I have not heard of any watch industry that has been in any distress or financial trouble with the exception of the Waltham Watch Co. They have been in trouble for some time. The Reconstruction Finance Corporation has loaned them a lot of money, I understand. However, I understand the Elgin Watch Co., in the gentleman's home State, is so successful that it has been paying extra dividends the last few years, so there will not be any occasion for it to apply under the escape clause for any relief.

Mr. VURSELL. I do not happen to know what their progress from a business and financial standpoint has been the last year or two, but I do know that a few years ago they were down here pointing out to many Members of Congress from Illinois, as well as other Congressmen, the devastating effect. They told us they were unable to get any relief whatever from these trade agreements, especially insofar as the application of the escape clause was concerned. I just give the gentleman that for what it is worth.

Mr. DOUGHTON. Does the gentleman know whether or not these complaints are based on the fear of injury, or on an injury that has resulted as an effect of these trade agreements? Before our committee the entire complaint against the program was not based on any serious damage that has been done, with the possible exception of one or two isolated industries that claimed to be adversely affected. They never mentioned the benefits that have come as a result of these trade agreements, but complained about the injuries. Even the complaint, however, usually was that they feared what might occur, rather than what had occurred.

Mr. VURSELL. I do not want to argue the question with my esteemed friend, but I should like to point out that since the last World War we have had only three or four watchmaking concerns in the United States, and from

75 to 85 percent of all the watches used in this country are watches imported mainly from Switzerland. It seems quite evident on the face of it that the watch industry has not fared too well, else there would not be but two or three major watch companies now operating in the country.

Mr. DOUGHTON. As far as I recall, there is no complaint that any watch-making company in the country has suffered at all under any circumstances, except the Waltham Watch Co. That is my understanding.

I thank the gentleman for his observation.

Mr. SADLAK. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Connecticut.

Mr. SADLAK. It is my understanding that the Waltham Watch Co. went out of business primarily because of the fact that it had been engaged in manufacturing precision instruments, timepieces, and so forth, that were used in the last war. During the time they were so engaged, Swiss watches were permitted to come in to take over their trade. Now that many of our industries are turning to the manufacture of defense needs, is it possible that other watch companies might engage in similar manufacture, such as making timepieces for guided missiles, and so forth, and that, with additional watches coming in during this entire time, whether they be from Switzerland or other countries, these other watch companies might again find themselves in the very same situation the Waltham Watch Co. found itself?

Mr. DOUGHTON. That is possible. If that evil day arrives, which we hope it never will, then will be the time to make complaint and apply for relief under the escape clause that has now been inserted in the reciprocal-trade agreement with Switzerland. You cannot anticipate what will happen years and years from now, I am sure. It is hard enough to anticipate what may occur a month or 2 months from now. However, I would think that if manufacturing concerns in this country are now going to shift from making watches to making war implements and other things necessary for our national defense, then it would be fortunate for the watch consumers of this country that some foreign country can supply them with watches. We would have been out of watches, according to what you say, if that had been done.

Mr. SADLAK. When this situation, which is becoming more aggravated daily, is over, our watch companies would like again to revert to the manufacture of watches. There would be no one to whom to sell the goods, and the market would again be flooded.

Mr. DOUGHTON. Every watch company in this country which is operated on a businesslike basis is getting along well. What more could you want?

Mr. SADLAK. I am just trying to look in the future a little bit further. If these treaties continue, what will happen to the other industries, in view

of the fact we are rapidly converting to defense work?

Mr. DOUGHTON. Does not the gentleman think that we should cross that bridge when we come to the stream?

Mr. SADLAK. Of course a long time is taken up in the negotiation of these treaties.

Mr. DOUGHTON. If we were to legislate in anticipation of every possible contingency which might arise, I do not know what we would have to go by.

Mr. SADLAK. Then the gentleman agrees that the proper protection for this situation would be to make sure that the escape clause is in all of these agreements?

Mr. DOUGHTON. Well, I understand that it is the present policy of our Government to get escape clauses into existing trade agreements which do not now contain them. A congressional mandate, however, requiring that an escape clause be put in all present agreements which do not contain such a clause would put our negotiators in the position of being forced to get the clause inserted regardless of the price. The other countries' negotiators, realizing this fact, would simply raise the ante. This is not the best or most intelligent method of protecting the interests of the United States. It would certainly seriously handicap our negotiators.

I do agree, however, that the insertion of an escape clause in all trade agreements is a desirable goal.

Mr. SADLAK. The gentleman also agrees the only time the escape clause was invoked during all the time that these treaties have been in existence was in the case of the fur felt hats and the fur felt hat bodies coming from Czechoslovakia?

Mr. DOUGHTON. That is correct. In the other cases, the Tariff Commission has found no basis for recommending that the escape clause be invoked. And I know, on the basis of the hearings before our committee, that those who represent labor, those who represent agriculture, and those who represent industry, are of the opinion that the Reciprocal Trade Agreement policy has been a success and they recommend that it be extended. That is about all that I can tell the gentleman. Of course it is entirely possible that in some isolated case, in some industry, a plant might be adversely affected. But on the other side of the scales the benefits far outweigh any damage or hardship or injustice which might occur to some small isolated industry. Consider our exports of agricultural products of tobacco and cotton and wheat and exports of industrial products such as automobiles and tools and a thousand and one other things. If we do not buy something, how are we going to have an export market for the products which we have in excess? Of course, if you could sell everything and buy nothing, that would be fine; but that does not work. We tried that under the Smoot-Hawley Tariff Act and we tried it under the Fordney-McCumber Tariff Act, and it did not work. Now the reciprocal trade policy has been tried, and it has been found to be the most successful policy yet. I

do not claim that it is perfect. Nobody claims it is perfect. We have not yet attained a state of perfection in legislation in any field, so far as I know. But as far as it has been tested, the Trade Agreements Act is the most successful and satisfactory and practical method that has ever been devised for dealing with tariff matters.

Mr. SCUDDER. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. SCUDDER. Did I understand the gentleman to say that the agricultural leaders were in favor of the Reciprocal Trade Agreements Act as administered?

Mr. DOUGHTON. Absolutely.

Mr. SCUDDER. Mr. Goss, master of the National Grange, was against it.

Mr. DOUGHTON. I know; but the American Farm Bureau Federation is for it. The National Farmers Union is for it. Of course there are a few dissenting votes here and there, but the large preponderance of those who express the view of agriculture or represent agriculture favor the continuance of this policy.

Mr. SCUDDER. Mr. Wiser, president of the Farm Bureau of California, is very much against the program as it is now administered.

Mr. DOUGHTON. Yes, but he is in the minority.

Mr. SCUDDER. No, he is the president of the Farm Bureau of California and he speaks for the entire organization.

Mr. DOUGHTON. He may be, but he is in the minority so far as agriculture is concerned.

Mr. SCUDDER. No, I would not say so. I think the Farm Bureau represents agriculture.

Mr. DOUGHTON. The gentleman did not hear the testimony as we did, or he would think otherwise.

Mr. SCUDDER. I have lived in agricultural areas all my life. I believe I can appreciate whom they represent, because the Farm Bureau does represent the producing agriculturalists of the country and they are very definitely against the program as it is presently administered. There should be a sound administration of the program.

Last week I had a report from my district where they have lowered the tariff and they are bringing into this country almonds. That is a sizable industry in my district. So far, out of this crop they have brought in 7,200,000 pounds of processed almonds, and it is feared that if this is not curtailed the imports will reach eighteen to twenty million pounds. If they would reduce that to 500,000 pounds it would about equal the amount of consumption together with the almonds produced in this country. It is anticipated that they will bring in from Spain between eighteen and twenty million pounds of processed almonds this year, which will ruin the entire industry in California.

Mr. DOUGHTON. But it has not been done yet.

Mr. SCUDDER. Well, it will be.

Mr. DOUGHTON. That is what they all say. They all talk about what might happen. When that time comes, they can invoke the escape clause.

Mr. SCUDDER. Last year it broke the olive business in California.

Mr. DOUGHTON. Well, they are not all the people in the United States.

Mr. SCUDDER. But they are an appreciable amount.

Mr. DOUGHTON. Of course, they are. The consumers of this country are also entitled to some consideration. You do not hear a voice raised by those who oppose the reciprocal trade policy in the interest of the consumer.

Mr. SCUDDER. I had an agricultural group listen to me last year when they were investigating these things because of the effect on labor.

Mr. DOUGHTON. The gentleman is entitled to his views, but he is in the minority. He is so far in the minority as to be lonesome.

The CHAIRMAN. The time of the gentleman from North Carolina has again expired.

Mr. DOUGHTON. Mr. Chairman, I yield myself 10 additional minutes.

Mr. HERLONG. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. HERLONG. In connection with what the gentleman from California [Mr. SCUDDER] said, I think the record will show that I opposed this legislation at the last session. We, in Florida, have a peculiar problem that is very much the same as that of the gentleman from California, but I have taken the time to call my people down there who are interested in this and explain to them the over-all values of the program, in view of the present international situation. They have told me within the last hour that as good Americans they would not oppose this legislation and would not ask me to oppose it, because of the value to the entire country at this time. I just wanted you to know how they felt.

Mr. DOUGHTON. I thank the gentleman for his contribution.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I will yield to my friend, but I know his attitude beforehand, that if he had his way he would kill this program, that he would wipe it out overnight if he had his way.

I yield to the gentleman.

Mr. SIMPSON of Pennsylvania. My chairman, as always, is direct, as he always is when we deal across the table.

I was pleased a bit ago, though, to hear him imply that there might be some small industries which are hurt, but that because they were small it would not be critical to the Nation's welfare. Is that correct?

Mr. DOUGHTON. I did not hear all of the gentleman's statement.

Mr. SIMPSON of Pennsylvania. I understood the gentleman to say that it might result in some small industries being damaged, but that the over-all good to the Nation is the controlling factor, and that justifies injuries to some small businesses. Is that right?

Mr. DOUGHTON. I will answer the gentleman's question by asking him one: The gentleman will recall that we had extensive hearings, giving an opportunity to be heard to those opposed to the bill and to those who favored the exten-

sion of the act; was not the overwhelming testimony to the effect—I do not mean of the hired mourners and paid lobbyists, but I mean of those who directly represented industry, agriculture, and labor—that labor, agriculture, and industry favored the extension of this reciprocal trade policy? If not, why has it stood up for over 16 years? It should be remembered that every 2 years we have had the opportunity of changing it, or doing away with it, yet it has stood the test of time. Notwithstanding that the gentleman from Pennsylvania wants to emasculate it. Unable to kill it outright, he wants to cripple it by flank attack by offering crippling amendments. I know the gentleman's attitude.

Mr. SIMPSON of Pennsylvania. The gentleman has referred to the great watchmaking industry, the timepiece making industry. He seemed to agree that that industry may have been damaged somewhat. I say that the watchmaking industry has been damaged—25 percent of the industry has been eliminated. The great Waltham Watch Co. had to fold up and close up, one of four great companies, had to close up as the result of the reciprocal-trade program. The gentleman justifies that by saying that the over-all economy of the country is helped even though that one industry may be damaged. That is his position. He also believes that other industry, as I understand—the pottery business—it employs only a few people, relatively speaking, and perhaps the general economy can stand the loss of that industry and the country keep going ahead. But with respect to watches and timepieces, in this hour of war when that industry is needed badly, when it is vital to the conduct of the war, we have to go to Switzerland in order to get the instruments we need with which to carry on the war. That is not right. That is why this policy is hurting our economy today.

Mr. DOUGHTON. I will ask the gentleman one question: Whether or not he favors, and if so, when he was converted to the reciprocal trade policy dealing with tariff problems? Whether or not he will agree that it has demonstrated itself to be the most effective, most desirable, and most satisfactory method of dealing with our foreign trade? Will the gentleman answer that "Yes" or "No"?

Mr. SIMPSON of Pennsylvania. I answer "No." I think the boys in the State Department are trading away the economy of our country by bringing in goods from abroad. The gentleman states that American labor is for this bill. The American Flint Glass Workers Union is opposed to it, the Atlantic Fishermen's Union, the Seafarers International Union, the International Brotherhood of Bookbinders and dozens of others right here in the testimony are opposed to it.

Mr. DOUGHTON. If this is an unsound policy why did not the Republicans repeal it in the Eightieth Congress?

Mr. SIMPSON of Pennsylvania. I am willing to do it right now.

Mr. DOUGHTON. The gentleman knows public sentiment would have condemned your action if you had.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. DOUGHTON. Under leave already granted to extend my remarks, I insert in the RECORD the following statements, letters, and editorials:

STATEMENT BY THE HONORABLE DEAN ACHESON, SECRETARY OF STATE, BEFORE THE HOUSE WAYS AND MEANS COMMITTEE, MONDAY, JANUARY 22, 1951, IN SUPPORT OF RENEWAL OF THE TRADE AGREEMENTS ACT

Mr. Chairman, I am appearing today in support of H. R. 1612, a bill to extend the Trade Agreements Act for a further period of 3 years. Statements in support of the bill are also being sent to the committee by the Secretaries of Agriculture, Commerce, Defense, Interior, Labor, Treasury, and the Administrator of the Economic Cooperation Administration.

PRESENT SERIOUS SITUATION

I want, first, to place the trade-agreements program in the context of our total foreign policy. The President, in his State of the Union and budget messages, has described the challenge of our times and what we as a people and as a Government must do to meet it. He has explained that this challenge is not only the threat of military aggression. It is also the threat of subversion, of stirring up class strife, of exploiting discontent, of preventing economic improvement. He has pointed out that we must be prepared to meet this threat in both of its aspects.

To do this we must do everything possible to build up the strength of the free world and to give its people a real stake in its future.

There is great need in the world today for expansion of production so that the peoples in the less-developed areas may look forward to better living conditions and have a democratic alternative to the promises of the Kremlin. We will need to continue economic assistance for this purpose.

In other areas where postwar recovery is nearly complete, some countries will need further economic assistance to mount the necessary effort for our common defense.

Another integral part of the process of building strength in the free world has been the effort to expand the flow of trade. Only by a greater exchange of goods between countries can the full benefits of economic development and greater production be maintained.

The trade-agreements program has been a major element in our participation in this process of expanding world trade.

ECONOMIC PROGRESS SINCE THE WAR

In facing the crucial peril of today, we can be thankful that so much has been accomplished since 1945 in rebuilding the economic strength of many areas of the world.

Our own country has higher levels of employment and production than ever before. With the aid of the European recovery program, the countries of Western Europe have made remarkable progress in the restoration of their production and in building up their economic strength. Production in Latin America and in other areas of the world has substantially increased. Considerable progress has been made toward a restoration in balance in the international balance of payments of many countries.

Through the economic-development programs of various governments, the point 4 program and the technical-assistance programs of the United Nations, a concerted effort has been begun to help improve economic conditions in the underdeveloped areas of the world. The more developed countries have started to share with the people in those areas some of the skills and some of the knowledge which will help them

to improve their present unsatisfactory standards of living; which will give them a real stake in the future.

Important steps have been taken for the expansion of world trade. Tariffs have been reduced over a wider area of world trade than ever before. Agreement has been reached limiting the use of various forms of trade restrictions. A wide area of trade in Europe has been entirely freed from quotas. Some important restrictions in the Western Hemisphere have been lifted completely.

Each of these activities has contributed in its own way to building greater strength and greater unity in the free world. Each has produced both immediate improvements and promise for the future. Each has been carried on by many countries working together. None could have achieved comparable results if the various countries had been working separately and alone.

NEED TO MAINTAIN GAINS

It is essential that these gains should be preserved. Wherever possible, they should be carried forward. In mobilizing to defend ourselves, we must not neglect or lose sight of the positive things that we are fighting for.

It is obvious that for some time to come large areas of world trade will be under some kind of control. Some of these controls, for example, will be imposed for security reasons. Others will be imposed to assure an equitable distribution of scarce materials. Yet there will still be a substantial volume of trade moving in regular commercial channels. But we do not want those controls to go beyond what is really necessary. We do not want any unnecessary obstacles to interfere with the flow of needed goods. It is essential to our security and well-being that the objective of expanding trade be kept constantly before us and that the instruments for such expansion be kept available and used wherever and whenever possible.

The Trade Agreements Act is such an instrument. The act has enabled the United States to participate for many years in the practical work of world-wide tariff reduction. It has done more than that. It has become a symbol of United States determination to lead in the cooperative effort to expand world trade.

Renewal of the act will reaffirm that determination. Failure to renew the act would be a symbol of withdrawal from that cooperative effort.

OPERATIONS UNDER THE ACT

The Government agencies which have been administering the act over the past 16 years have rendered an account of their stewardship from time to time in the hearings which have been held before this committee on the occasion of the successive renewals of the act. I would like, however, to summarize briefly the scope of what has been done under the authority of the act and to refresh the committee's recollection again as to the manner in which the act has been administered.

The results of the operation of the trade agreements program to date are set forth authoritatively and in detail in the reports of the Tariff Commission to the Congress. The most recent of these reports covers the period April 1949 to June 1950 and has, I believe, recently been made available to this committee.

During the course of the years in which the Trade Agreements Act has been in effect, we have negotiated trade agreements with 45 countries, with which in 1949 we carried on about 75 percent of our foreign trade. These countries and ourselves together carry on 82 percent of the total trade of the world.

In these negotiations the administration has kept continuously in mind the needs of producers and workers in both American

industry and American agriculture. The concessions we have granted have applied almost equally to agricultural products and nonagricultural products. On the other side of the ledger slightly more concessions have been obtained for agricultural products in other countries than for nonagricultural products.

The earlier agreements negotiated under the act were agreements simply between ourselves and one other country. There are now 14 of these bilateral agreements.

Under the 1945 renewal, however, a new approach was used, which was designed to increase the benefits to be obtained under the program and to widen the area of world trade covered by reductions of tariffs and tariff preferences.

This approach was to invite a number of countries to negotiate with us simultaneously and at the same time to negotiate with each other. The effect was to extend the area of reductions of tariffs and preferences to the trade between the other countries themselves, and thus greatly to increase the potential effect of the negotiations upon the level of world trade. Moreover, the United States becomes entitled to the benefits of the tariff concessions and preference reductions made by the other countries to each other, as well as those negotiated directly with us.

The result of these multilateral negotiations is embodied in the General Agreement on Tariffs and Trade. This technique has proved so successful that 32 countries are now parties to that agreement and 7 more are now negotiating to accede to it at Torquay. The products included in the tariff schedules of the general agreement account for somewhat over half the entire trade of the world.

A further reason why the multilateral approach was felt to be more effective in helping to expand trade was that it would mean a far wider application of the general provisions of trade agreements.

These general provisions, as the committee will recall, obligate the parties to the agreement to do such things as give each other most-favored-nation treatment, not to put disguised tariffs on imports in the form of discriminatory internal taxes, to minimize the restrictive effect of customs regulations, to limit the use of quotas, not to increase preferences, permit them to take action necessary for their national security, and so forth. With the large number of countries now parties to the general agreement, these provisions constitute an important body of international commercial policy rules, and have provided a basis for the settlement of a variety of trade disputes.

The periodic meetings of the parties to the general agreement have provided a convenient opportunity for each country to put into actual practice the vital principle of consulting with other countries before taking action which might adversely affect their trade. The atmosphere around the table has been one of mutual understanding, cooperation, and respect. We hope to be able to find ways of strengthening the general agreement and making its operation even more effective.

Thus these trade-agreement negotiations have brought about a substantial reduction of tariffs and of tariff preferences on a very wide area of the world's trade.

It is particularly notable that during the period of this activity the people of the United States have achieved the highest levels of prosperity and real personal income that this country has ever known. This great expansion of employment and consumption is one of the significant factors which enables our economy to make its maximum contribution to the expansion of world trade.

The standards of wages and working conditions of the wage and salary earners of the United States, as well as the standards

maintained by our farmers, during this period have been the highest in history. These standards will continue to improve over time. What has been truly remarkable about this improvement has been the generality with which standards have risen—the way in which workers and farmers in all segments of industry have benefited. This phenomenon should put to rest for once and for all the old fear that a lowering of tariff barriers would depress labor standards in the United States. Despite substantial differences in money wages paid to workers in our farms and factories and those paid abroad, the superior efficiency of our industry and agriculture has offset the apparent wage disadvantage. So much so, in fact, that it is United States competition that is feared in many areas of the world, rather than the competition of countries where wages are low and efficiency is equally low.

There are some special cases in which disparities in wages might create some degree of competitive problem, even for United States industry. This is particularly the case in industries where there has been relatively little mechanization and where labor cost is still a very large proportion of total cost. The record of action under the Reciprocal Trade Agreements Act demonstrates clearly that we have been fully aware of this situation, and that we have carefully acted with respect to situations of this kind in a manner that would avoid serious injury to the industry and the workers involved.

The trade agreements job has been very carefully done.

In the first place, all of these negotiations, whether bilateral or multilateral, have been conducted on a product-by-product basis. This has enabled us and the other countries to take into account the needs and problems of particular industries on the basis of the facts of each case. No country has been obligated to give concessions on any particular product. No country has been expected to give concessions unless it got satisfactory concessions in return. And every agreement negotiated since 1943, including the general agreement, has included a general escape clause. This clause permits the withdrawal or modification of a concession if, as a result of unforeseen circumstances, imports increase in such a manner as to cause or threaten serious injury to domestic producers.

The procedures followed within the United States Government are carefully designed to permit maximum scope for negotiation and at the same time to guard against injury to domestic interests.

Responsibility for decisions under the act rests upon the President.

Because of the wide variety of interests which are necessarily involved in the tariff problem, the President has entrusted it to a committee composed of representatives from a number of agencies, each of which is directly concerned with important aspects of the problem. These agencies are: the Departments of Agriculture, Commerce, Defense, Interior, Labor, State, and Treasury, the Economic Cooperation Administration, and the Tariff Commission. This committee is known as the Trade Agreements Committee. It is chaired by a representative of the Department of State.

This Committee makes its recommendations directly to the President.

The members of the Trade Agreements Committee attend the conferences at which tariff negotiations are held, such as the conferences at Geneva and Torquay. The negotiating teams, which handle the actual details of the day-to-day negotiations, also include members from several agencies.

During my years of Government service I have been in reasonably close contact with trade agreements work. I think it can fairly be said that the operation of the trade agreements organization over the years has been

one of the most effective examples of inter-agency collaboration developed within the Government.

I have brought with me two statements which describe exactly how a trade agreement is made and the safeguards with which the administration of the act is surrounded. I would like to submit these for the record.

There is one point, however, that I would like to stress. The Congress has wisely required that public notice shall be given before the President concludes any trade agreement, so that anyone interested may be able to present his views and have them considered. Particular efforts have been made to get the largest possible amount of information from the public about products that may be involved in any negotiation. Every product that may possibly be considered for a tariff concession is described in the notice of a prospective negotiation. Written briefs are solicited. Public hearings are held at which people interested can appear to supplement their briefs and answer questions. The information thus obtained is analyzed by the experts of the various Departments and forms an integral part of the basis for the recommendations of the Trade Agreements Committee to the President. Thus every possible effort is made to ensure that those recommendations are based on full and up-to-date knowledge of the facts.

It is indicative of the care with which the program has been administered by the interdepartmental trade agreements organization, that out of all the hundreds, even thousands, of individual United States tariff items which have been reduced or bound in these agreements during the life of the escape clause, there have been only 20 applications for its use. Six of these applications are still pending before the Tariff Commission. Of the 14 that have been dealt with only 1 has been found by the Tariff Commission to justify action. In that case action was promptly taken and the concession in question was withdrawn.

The Trade Agreements Act has become a fundamental part of our foreign policy. Each renewal by the Congress has been a welcome indication to the rest of the world of the desire of the United States to play a leading part in the constructive work of expanding world trade. It is important now, as it has been in the past, that this policy be reaffirmed.

NO LARGE-SCALE NEGOTIATIONS IN PROSPECT

The next 3 years will necessarily be a period of consolidation and adjustment in the trade field rather than of major progress forward.

When the conference now going on at Torquay is over, participating countries will want to have a period of time in which to test and observe the operation of the tariff rates there agreed upon. Moreover, it is obvious that the great uncertainties of the world situation are likely to persist for some time. It is, therefore, not expected that there will be another Torquay within the life of the extension provided for in H. R. 1612.

Adjustments in existing agreements will, however, undoubtedly be desirable from time to time. It is possible that it may be desirable to negotiate with one or two countries not represented at Torquay, either for their accession to the general agreement or bilaterally. It is possible that some negotiations may develop in connection with efforts to promote greater integration in Europe which will involve some products in which we are interested and in which it would be to our advantage to participate on a limited scale.

Consequently, an extension of the President's authority is essential. The administration does not, however, believe that any change is needed in the limitation now in-

cluded in the Trade Agreements Act on the permissible range of reduction in rates of duty. It, therefore, fully endorses H. R. 1612, introduced by the Chairman.

In conclusion, I would like to return for a moment to the central idea which I expressed at the beginning. Our primary objective is to build strength and unity in the free world. Our whole program must create immediate military strength and the economic base on which military strength depends. It must create incentives to work to achieve and maintain that strength.

Continued participation by the United States in the cooperative effort to improve the conditions of world trade will be recognized both at home and abroad as one clear indication that behind the shield of military power which we and our allies are creating, the techniques of growth and expansion are being maintained intact. Continuation of the trade-agreements program is one way in which we can assure the peoples of the free world that economic expansion and rising living standards for all countries is still the goal of the United States.

THE SECRETARY OF DEFENSE,
Washington, January 22, 1951.

HON. ROBERT L. DOUGHTON,
Chairman, House Ways and Means Committee, House of Representatives.

DEAR MR. DOUGHTON: I understand that hearings on renewal for 3 years of the Trade Agreements Act are soon to be held by the Ways and Means Committee. I wish to lend my full support to the renewal of this legislation as being in the best interests of the country and in accordance with the program of the President.

Faithfully yours,

G. C. MARSHALL.

THE SECRETARY OF THE TREASURY,
Washington, January 22, 1951.

HON. ROBERT L. DOUGHTON,
Chairman, Committee on Ways and Means, House of Representatives,
Washington, D. C.

MY DEAR MR. CHAIRMAN: The Committee on Ways and Means has before it for consideration H. R. 1612, to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes. The effect of this bill would be to continue the reciprocal trade agreements program, which has been in effect since 1934, for an additional period of 3 years beyond the present expiration date of June 12, 1951.

In order to conserve the time of the committee, I understand the Secretary of State will make the sole personal presentation for the administration in behalf of the bill. I wish by this letter simply to add my word of endorsement.

Apart from my direct interest in this legislation stemming from the participation of the Treasury Department in the administration of the trade-agreements program, I am interested in it also because of my responsibility as chairman of the National Advisory Council on International Monetary and Financial Problems, the interdepartmental body which has responsibility for coordinating the policies and operations of this Government in the foreign financial, exchange, and monetary fields. Since the termination of hostilities in 1945 this Government has undertaken an unprecedented series of measures involving international cooperation with and assistance to friendly foreign countries in an effort to reestablish stable international economic relationships. An important part of this program involved an effort to promote expanding international trade as a contribution toward rising living standards both in our own country and in foreign countries. The policy of reciprocal reductions in trade barriers instituted in 1934 under the wise leadership of Cordell Hull played a useful

part in carrying out these policies. A substantial measure of success has attended our efforts to achieve a sounder structure of international economic relationships, and it is important that we hold the gains we have achieved through the new difficult period in which we now find ourselves. For this purpose, it is considered essential to preserve the executive trade agreement authority, and I therefore urge your committee to give favorable consideration to H. R. 1612.

The Department has been advised by the Bureau of the Budget that there is no objection to the submission of this report to your committee.

Very truly yours,

JOHN W. SNYDER,
Secretary of the Treasury.

DEPARTMENT OF AGRICULTURE,
Washington, D. C., January 19, 1951.

HON. ROBERT L. DOUGHTON,
Chairman, Committee on Ways and Means, House of Representatives.

DEAR MR. DOUGHTON: With reference to the hearings to be held by your committee on H. R. 1612, a bill to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, I wish to inform you that this Department favors passage of this bill.

The trade agreements program has wide support among American farmers because they realize that they have an important stake in foreign markets. Many United States agricultural products are exported in large amounts. In the last fiscal year, such exports included 37 percent of our cotton, 26 percent of our wheat, 27 percent of our tobacco, 39 percent of our rice, and nearly 35 percent of our dried fruits.

The prospects for maintaining foreign markets of our agricultural products will depend largely on whether or not we succeed in securing comparative freedom for international trade. Failure to do so will cause these markets to become more and more curtailed by the self-sufficiency policies of importing countries designed to protect high-cost production.

The reciprocal trade agreements program has made made an important contribution to arresting, in important instances, the world-wide trend toward protection. The United States has, under this program, received tariff concessions from foreign countries on agricultural as well as other products. The importance of these concessions to American farmers will grow with the restoration of more normal conditions in the international economy.

To obtain these concessions, we had, of course, to make concessions on our part. As regards the latter, I would like to note that they were about evenly distributed between agricultural and nonagricultural imports. As the Tariff Commission has recently reported to Congress, import duties were reduced on 44 percent of total agricultural imports as compared with 47 percent of total nonagricultural imports. The duty reductions made average 50 percent for the agricultural and 53 percent for nonagricultural products on which duties have been reduced.

Reduction of duties and other trade barriers is, of course, the primary objective of the Trade Agreements Act and of the agreements negotiated under this act. But, as your committee certainly is aware of, the act and the agreements negotiated under it, such as the general agreement on tariffs and trade, also contain machinery for correcting inequities in the existing structure of tariffs and trade controls.

I would also like to refer to our struggle with the dollar gap in our foreign trade. For several years we were faced with the threat that, when United States foreign assistance comes to an end, this gap might be closed by a sharp curtailment—in United States exports—a curtailment which would

threaten to cause depression in important sectors of American agriculture and industry. With the help of the trade agreements program, we have succeeded in expanding our imports and thus in supplying foreign countries with a current source of dollars which they can use to buy the products of American farms and factories they want.

The American people also have come to realize that we must import many products to supplement our domestic resources. This dependence on foreign products has become particularly evident in the present defense effort, but it is also an important consideration under peacetime conditions if we wish to maintain and improve our living standards.

There are also other broad benefits derived from the trade agreements program in which American farmers have an interest. By facilitating the exchange of products which we produce most advantageously for products that other countries produce most advantageously, the trade agreements program helps to link the freedom-loving nations more closely. This is of particular significance in the present critical world situation in which the Communist aggressors are using every means, economic as well as political, to split the free world.

It is also clear that the foreign assistance that we are giving under various programs will bring lasting benefits to us as well as to the recipient countries only if the opportunities for trade among the peace-loving nations are being maintained and enlarged. Continuation of our trade agreements program will give those countries assurance that we will play our part in assuring such opportunities.

Sincerely yours,

C. J. MCCORMICK,
Acting Secretary.

THE SECRETARY OF COMMERCE,
Washington, D. C., January 18, 1951.

HON. ROBERT L. DOUGHTON,
Chairman, Committee on Ways and Means, House of Representatives,
Washington, D. C.

DEAR MR. DOUGHTON: I am writing you in connection with the consideration by your committee of H. R. 1612, the bill to extend the authority to conclude reciprocal trade agreements.

The purpose of this legislation and the policies and procedures that have been followed in its administration are well known to your committee and consequently need not be discussed in detail. The disturbed conditions of international life make it unlikely that great use can be made of this authority over the next few years. It is, nevertheless, important that the legislation be kept alive as a symbol of the desire of the United States to cooperate with the rest of the free world in the progressive relaxation of tariff and trade barriers.

The procedures which have been worked out for the administration of the act are well designed to protect producers in this country from irreparable injury. At the same time benefits have been received by those industries which are dependent upon foreign sources of supply. Similarly, the concessions received from other countries have been significant for the large number of our producers who are partially dependent upon foreign markets.

Accordingly, I should like to urge favorable consideration by your committee of the proposed legislation.

Sincerely yours,

CHARLES SAWYER,
Secretary of Commerce.

ECONOMIC COOPERATION ADMINISTRATION,
Washington, D. C., January 23, 1951.

HON. ROBERT L. DOUGHTON,
Chairman, Committee on Ways and Means, House of Representatives,
Washington, D. C.

DEAR MR. DOUGHTON: This letter is to express the strong support of the Economic

Cooperation Administration for H. R. 1612, the bill to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended.

We firmly believe that the reciprocal reductions in tariffs and other trade barriers negotiated under the authority of the Trade Agreements Act have been highly beneficial to the United States both in general and in terms of the specific objectives of the Economic Cooperation Act of 1948 with which this Administration is primarily concerned. We regard extension of this trade agreements authority as most important to continued progress toward these objectives.

In the introductory section of the Economic Cooperation Act, 1948, the Congress recognized the vital importance of "the expansion of foreign trade," and "the progressive elimination of trade barriers," Congress declared it to be one of the three main purposes of the Marshall plan to aid European countries in "facilitating and stimulating the growth of international trade * * * with one another and with other countries by appropriate measures including reduction of barriers which may hamper such trade."

Our experience in ECA has testified to the wisdom of this congressional emphasis on reduction of barriers to international trade in the basic provision for the European recovery program. Apart from the obvious physical destruction and disruption directly caused by the war, the two main problems we found in Western Europe were economic stagnation and the dollar gap. The high level of tariff and other barriers to international trade which had been built up in Europe, in the United States, and elsewhere in the world was a major contributing cause to both of these problems.

By the same token, efforts to reduce these barriers have proved to be a major factor in curing these conditions. By removing some of the shelter which national trade barriers provided to inefficient industries in Europe and exposing them to the invigorating effects of international competition from other European countries and, to some extent, from the United States, we have made a start on getting rid of some of the economic stagnation. European trade liberalization has been one of the major planks in ECA's program for promoting economic integration in Western Europe. As for the dollar gap, it has been clear from the beginning that there were only three ways of solving it: To cut down the level of European imports from the United States below what would be tolerable either for the peoples of Western Europe or for United States agriculture and industry; to raise the level of European dollar earnings by increasing their sales of goods and services to the United States and other parts of the dollar area; or to ask American taxpayers to continue to pay for the deficit for the indefinite future. It has seemed obvious to ECA that the second of these alternatives was by far the most desirable for everyone concerned. We have, therefore devoted considerable attention to stimulating European efforts to sell increased quantities of goods in the United States. Until recently ECA's program in this field was concentrated on encouraging increased European exports of luxury type goods which would enrich American life without competing directly with established American industries. More recently in view of the changed world circumstances, we have been concentrating on efforts to secure from Europe commodities, which are in short supply in the United States both for civilian and military purposes.

The program of multilateral negotiations of reductions in tariff and other trade barriers made possible by the Trade Agreements Act has made a highly valuable contribution to the work of ECA both in attempting to secure a liberalization of trade within Eu-

rope and to close the dollar gap. This contribution has been made both at the practical and psychological levels. The actual reductions in United States tariffs which have taken place under the authority of this act have acted directly to permit increased imports of desirable European products. The specific tariff reductions negotiated by the United States with each ERP country have been generalized to the others and have thereby directly helped to liberalize trade within Europe. Perhaps even more important has been the psychological effect of the fact that the United States Government was in a position not only to preach reduction of trade barriers but to practice it. This has helped greatly in creating an atmosphere of liberalization rather than economic nationalism in Europe. On the dollar earning program we have found that many European businessmen are most reluctant to expose themselves to the vigorous free competition of the American market, in spite of the urgent need of their countries to earn more dollars. Searching for an excuse for their reluctance, they have often pointed to the high tariff barriers of the United States. Because of the existence of the Reciprocal Trade Act, we have been able to answer this contention by pointing to progressive reductions in the United States trade barriers and to the possibilities of further reductions on a reciprocal basis. We do not think that we could have made nearly as much progress either in European trade liberalization or in developing European interest in increased dollar earnings if we had not had the indirect support of the Trade Agreements Act.

The reasons why trade agreements legislation has been valuable to ECA's program in the past will continue to operate with great force in the period ahead. The need for vigorous economies, liberalized trade, and maximum dollar earnings will be greater than ever if the European countries are to carry the double burden of continued economic recovery and full-speed rearmament. Opportunities for great further strides in European integration may well occur. At the same time the pressures on the European governments and businessmen will be such that they will be strongly inclined to return to manifold governmental controls and protectionism in their own markets and to lose interest in the dollar market. There is great danger that the important achievements which have been made in the fields of trade liberalization and dollar earnings will be lost. Thus the situation could move either toward or away from the desirable short- and long-term goals of European trade liberalization and self-support. Which way it turns will be influenced to an important degree by the ability or inability of the United States to speak forcefully for and participate practically in further liberalization efforts. This ability in turn will be determined by whether or not the Trade Agreements Act is extended.

The bill under discussion provides for no increased authority for reductions in United States tariffs but simply permits further negotiations within the authority already granted. Limited further use of this existing authority can be a great asset in achieving significant progress toward American objectives in Western Europe.

The Bureau of the Budget has advised us that it has no objection to the transmission of this letter since the proposed extension of the Trade Agreements Act is part of the President's legislative program.

Sincerely yours,

WILLIAM C. FOSTER,
Administrator.

ANDERSON, CLAYTON & Co.,
Houston, Tex., January 18, 1951.

Hon. ROBERT L. DOUGHTON,
Chairman, Ways and Means Committee,
House Office Building,
Washington, D. C.

MY DEAR MR. CHAIRMAN: Due to illness in my family I deeply regret that I am unable personally to appear before your committee to urge renewal of the reciprocal trade agreements program.

I believe I have appeared as a witness in support of this program each time the act has come up for renewal.

In the tragic situation now confronting our country and the rest of the free world, the reasons for continuing this program are much stronger than they have ever been in the past.

Communist Russia has divided the world into two parts—the Communist world and the free world.

The peace-loving free world, enormously superior in wealth and industry to the Communist world, but just now disunited and militarily weak, stands before an aggressive, united, and powerful enemy sworn to destroy it—an enemy without conscience, without religion, without decency, without mercy.

Under the leadership of the United States, the free world has united its military strength in the North Atlantic Treaty. General Eisenhower, as Supreme Commander of the military forces of the 12 countries composing the North Atlantic Pact, is now in Europe for the purpose of organizing and leading the armies for defense which these 12 nations will provide.

But military unity alone is not sufficient to create the necessary conditions for the preservation of world peace and freedom.

It would be a great mistake to think that communism is the only obstacle to a continuation of conditions of peace and prosperity in the free world.

Communism is but an outward manifestation of the world revolution now in progress—a revolution of the have-nots—not so much against the haves as against their own lot in life.

When the Premier of Pakistan was here a few months ago, he said that when he thought of the United States, he saw a fabulously prosperous island; but still an island, surrounded by a sea of poverty, of cold and of hunger; and it frightened him.

There are just too many hundreds of millions of people who go to bed hungry and cold every night.

Someone will probably say, "But that has always been true." Yes, of course, but the modern world as we know it today has not always been here.

The first job of the free world is to make itself so strong that the aggressor dare not strike.

To do this the free world has united militarily.

The second job to which the free world must bend its efforts is the raising of the standard of living of hundreds of millions of people in the world.

The United States has also taken leadership in this field.

It is unnecessary to refer in detail to the various steps which have been taken under our leadership to improve economic conditions in the world—conditions in such deplorable state because of two world wars in one generation.

One of the most important of these steps, but the one perhaps least understood, is the reduction, through trade agreements with friendly nations, of the barriers to the movement of goods throughout the world. Much

constructive work has already been done here but much remains to be done.

The standard of living of any people is measured by the quantity of useful goods available to them.

Economists agree that substantial reduction of barriers to the movement of goods between countries would greatly enlarge markets, would rationalize production on the basis of comparative advantage, would necessitate a great increase in the production of raw materials, and would enormously augment the volume of useful goods made available to the world's population.

The development of our own country proves this. This development and the consequent very high standard of living here is largely due to the freedom with which goods move across State boundaries.

This matter has unusual importance at the present time due to the fact that our preparedness program demands that we acquire great quantities of metals and other materials from all parts of the world, not only for the enormous increase in production which our program requires but also for stockpiling for future needs.

Not only should these imports be freed of the excessive tariffs which many of these materials now carry but in order to pay for these materials we must be in position to export freely of the products which the United States is in position to produce most effectively. It is, therefore, necessary that trade agreements be made with friendly countries for the mutual reduction of tariffs—our tariffs on the goods we need to import for civilian and defense needs, and their tariffs on the goods we need to export to pay for such imports.

For 15 years or more we have listened to predictions of dire results to flow from any reduction of our protective tariff. Interested parties have thought they foresaw certain ruin from any such action.

No such consequences have resulted from trade agreements already made. No such consequences can be expected to result from future trade agreements.

The care and study given by interested agencies of our Government before action is taken is a guaranty of this.

But, in any case, we face a world situation which makes imperative actions to serve the common good as opposed to individual or special interests.

The preparations which we and our allies are making to restore to the free world the power to preserve its freedom will fall with a heavy hand on some segments of the economy. For example, producers and distributors of luxuries will in many cases undoubtedly suffer great injury and possibly ruin.

In the crisis which we face we must act for the greatest good to the greatest number.

It will avail us little to restore the power of the free world to preserve its freedom if we fail to reorganize international economic relationships in such way that production and distribution will provide the people with more to eat, more to wear, and better homes in which to live.

To this end I strongly urge the renewal of the reciprocal trade agreements program without crippling amendment. Such a course is unquestionably dictated by our national interest.

Respectfully submitted,

W. L. CLAYTON.

STATEMENT OF MORRIS S. ROSENTHAL FOR THE
CHAMBER OF COMMERCE OF THE UNITED
STATES TO HOUSE WAYS AND MEANS COM-
MITTEE ON H. R. 1612, JANUARY 24, 1951

My name is Morris S. Rosenthal. I am president of Stein, Hall & Co., Inc., New York City.

I appear before you today as a representative of the Chamber of Commerce of the United States to urge strongly approval of H. R. 1612, which would provide for renewal of the Trade Agreements Act. I am a member of the foreign commerce department committee and of the policy committee of the chamber.

I attach a brief description of the Chamber of Commerce.

The chamber in 1913 advocated, by referendum vote, the establishment of a permanent Tariff Commission, and in 1921 supported the principle of adjustment of tariff rates by administrative authority, within the limits set by Congress.

Our support of the Trade Agreements Act has been continuous and emphatic since 1933. On May 5, 1933, the national chamber adopted a policy favoring action by our Government in initiating reciprocal trade agreements with foreign countries, where such bargaining would be clearly in the public interest, keeping in mind the policy for assuring stability in internal industry and agriculture through reasonable protection. This statement was reaffirmed by the chamber membership in 1934.

The chamber, at the last annual meeting of its membership in May of 1950, renewed its support of the Trade Agreements Act. The members adopted this statement of policy:

"The policy of the Trade Agreements Act should be continued. This policy gives adequate authority for the Government, through its established agencies of negotiation and administration, to reach effective agreements for the reciprocal and selective adjustment of tariffs and other barriers to trade, including quota restrictions and other obstacles to the reasonable flow of goods and services.

"There should be appropriate safeguards in legislative provisions for ample public notice and open hearings, and clauses in the agreements providing, in case of unforeseen developments, for the modification or withdrawal of concessions, in order to prevent serious injury to domestic producers. Neither in the original form nor in practical application by reason of events that were not contemplated should agreements be permitted to cause destructive competition in American agriculture or industry."

The policy which I have just read to you has been in force, in its present form, since 1943, when it was adopted by vote of the membership. Under chamber bylaws this policy had to be considered for renewal in 1946. At that time it was submitted to the membership by referendum. The vote was overwhelmingly in favor of continued support.

Prior to renewal of the policy last year, the entire question of trade agreements was again examined thoroughly. A special subcommittee of the foreign commerce department committee, which is composed of outstanding businessmen in the foreign trade field, recommended that the policy be continued. This recommendation was concurred in by the full committee, and then submitted to the board of directors of the national chamber, who also approved. Afterward, it was studied by the policy committee. That group recommended that the policy be renewed again without change, and this recommendation was approved unanimously at our annual meeting.

I have gone into the question of chamber policy at some length because I think it important to emphasize that our continued support of the Trade Agreements Act is based on careful and mature consideration by businessmen representing diverse economic and geographical interests.

Some of you will recall that on May 5, 1948, Earl O. Shreve, then president of the chamber of commerce, appeared before a subcommittee of this committee to urge renewal of the Trade Agreements Act. In June of that year, Clem D. Johnston, a direc-

tor of the national chamber, took the same position before the Senate Finance Committee. At other times, statements urging renewal of the act have been filed by the national chamber.

Our support of the program is based on the firm conviction that true world peace cannot be attained without world prosperity, that world prosperity cannot be attained without expanded and unhampered international trade, and that such trade cannot be attained without sincere and determined efforts on the part of all nations to reduce the barriers to world trade.

The Trade Agreements Act enables this Nation, with others, to work for the reduction of tariffs and other barriers to trade. The program is not a panacea for all the ills besetting international trade. It will not, by itself, bring about world peace and prosperity. But, the program is the only logical mechanism of attacking the excessively high tariffs and the pernicious invisible barriers which operate so effectively to strangle trade.

The national chamber does not believe that all tariffs should be eliminated. We recognize the need for, and support, such tariffs as are necessary to provide adequate protection to American agriculture and industry and, also, where needed, for national security. We do not believe that all tariffs should be reduced to a specified equivalent ad valorem duty, for a high tariff on one item will not necessarily be restrictive, whereas a relatively low equivalent ad valorem duty on another may still be high enough effectively to preclude imports.

By the policy which I have read to you, it is evident that the chamber membership recognizes the importance of having available at all times appropriate executive machinery for the prompt adjustment of tariffs through reciprocal negotiations, flexible enough to meet rapidly changing world economic conditions. At the same time, one of the fundamentals of the chamber's position has been, very naturally, that the administrative machinery contain adequate safeguards for the protection of domestic industry and agriculture from destructive competition by foreign goods. The escape clause, established by Executive order, provides this protection.

It seems logical to assume that the reduction of excessive tariffs, with the elimination of other restrictive barriers, will be an important step on the road to unhampered and expanding international trade. The Trade Agreements Act is, so far, the most realistic and practical method of attaining this type of world trade.

Accepting, then, the premise that the Trade Agreements Act will, under normal conditions, permit private international trade to expand, the question to be answered is: "Do we want to encourage such trade?"

The answer is an unequivocal "Yes."

No nation, not even the United States, is self-sufficient. The high standard of living which we enjoy in the United States would not be possible without imports. It is true that our imports represent only a small percentage, generally less than 5 percent, of national income. But without certain products which we must import, our national income, and our standard of living, would be much lower. Where would we be, for instance, without coffee, and sugar, and tungsten? We could get along, but at a much lower standard of living. In the manufacture of the automobile, which is certainly a typically American product, it is necessary to import close to 100 different items.

Other nations, less richly endowed with natural resources and industrial potentialities, are even more dependent than we on imports. Those nations, too, could get along without imports, but the results would be even more drastic than they would be for us. Artificial barriers to trade can be erected, as they have in the past, but out of those barriers will spring the poverty and want of

a lowered standard of living, and it is in the grounds of that despair that the seeds of communism are sown. Economic isolationism cannot, in the long run, benefit any free country.

Because the Trade Agreements Act will help to expand international trade, by reducing the barriers, the Chamber of Commerce gives it its support.

There is another factor which must be considered, a factor which can be evaluated in terms of black ink or red ink on the balance sheet. Increased trade means increased business for all segments of our economy. Almost every major industrial group does some export business, and in many cases the export market represents a fairly large percentage of the total business volume. Even if foreign sales represent only a small percentage of total sales, it may mean the difference between profit and loss.

We should not make the mistake of believing that the size of the export market is important only to our manufacturing interests. Shipments of agricultural products and extracted raw materials have formed a large part of our total export market.

There may have been some temporary disturbances in some lines of business as a result of adjustments necessary to meet altered conditions, and there has probably been a greater degree of competition, short of permanent injury, from foreign goods due to reduced American tariffs. It is my opinion, and I think this is shared by many persons who have been intimately associated with the details of the program, that those who have complained about those things have been prompted more by apprehension as to possible future injury than by actual experience of destructive effects. I believe that instances in which actual injury have occurred, and which have been serious enough to warrant recourse to the established machinery for the correction of abuses, have been very few.

On an historical basis, 60 percent or more of our imports come in duty-free. Thus, no more than 40 percent of our total imports could possibly be affected. Actually, only a very much smaller percentage could now be reduced. In many cases duties are now down to the limit which our negotiators feel is wise, and in other cases the duties have been reduced by the maximum permitted by our laws. Thus, the scope of further reduction of our own duties is limited. If we do not now continue the act, there will be no possible chance of getting other countries to reduce their tariffs and eliminate other obstacles.

Before closing I would like to make a few remarks about whether the act should be continued during this period, which has been so aptly termed the "dark-gray period" of mobilization. There is, I am convinced, even more reason now to work for reciprocal trade agreements than there has been in the past.

At the present time, or during a war, there will still be some private international trade, and it is important that every opportunity be afforded for it to continue. The Trade Agreements Act will help provide this opportunity.

To discontinue this program now would be more than a repudiation of our previous policy. It would be a deliberate step which could have no other effect than to raise the present barriers to trade, and that, as we know, leads to economic isolationism, which leads to political and military isolationism.

ADDENDUM

The Chamber of Commerce of the United States is a national federation of 3,133 trade associations and local chambers of commerce, which, in turn, represent 1,350,000 individual businessmen. Because the chamber in membership and direct interests embraces every important activity in our economy; and, through its membership—small

businesses as well as large—it presents the opinion of a cross-section of our entire economy. Thus, it is that policies of the chamber do not represent the views of some special group or particular interest, but are drawn from the diverse interests of the country as a whole and are voted by its membership. This voting, incidentally, is so regulated that no geographic concentration of interests or economic concentration of power can override the broader interests of the entire membership.

Since the Chamber of Commerce is a democratic organization, and since its membership encompasses the widest range of interests, the members retain every right to express themselves as individuals. So, there may be some members who are in a minority disagreement, but the official attitude as approved at the annual meeting, favors the continuation of the Trade Agreements Act.

[From the Washington Post of January 24, 1951]

PERIL-POINT CLAUSE

The Eightieth Congress inserted a so-called peril-point clause in the Reciprocal Trade Agreements Extension Act in 1948 requiring the Tariff Commission to advise the President whether proposed tariff reductions would imperil American industries. The President was not compelled to follow the Commission's recommendations, but if he disregarded them, he would have to inform Congress of the reasons for doing so. A move is now under way to include this peril-point clause, deleted by the Eighty-first Congress, in legislation extending the President's authority to negotiate reciprocal trade pacts for a 3-year period. Its restoration would unquestionably hamper the negotiators, despite the fact that it is merely a warning signal, not an order to stop. It would also increase the pressure of special interests for favorable treatment.

Experience has shown that the only practicable method of reducing tariff barriers is by executive negotiation. In concluding trade agreements, moreover, the administration has always tried to protect legitimate American interests and there is no reason to suppose that it will be any less vigilant in the future than it has been in the past. Finally, a vote for restoration of the peril-point clause would not only be a retrograde step, it would also create fears, whether justified or not, of a return to narrowly protectionist policies that would reduce the capacity of other countries to earn more dollars from exports to the United States.

[From the New York Times of January 21, 1951]

RENEWING THE TRADE ACT

With the opening of hearings this week on extension of the Reciprocal Trade Agreements Act, we may expect renewal of the long battle to curtail existing Presidential authority to lower tariffs. Under the 1949 law, which expires next June, the President may make tariff reductions up to 50 percent of the 1945 rates in exchange for trade concessions from other countries. This law carries on the spirit of all the reciprocal trade acts since the first one was passed in 1934, except for the 1-year extension adopted by a Republican Congress in 1948, which required the President to report to Congress if he set rates below the point considered by the Tariff Commission as threatening serious injury to American producers. Republicans in both Houses have already said they would attempt to restore this peril-point provision, which was eliminated by the last Congress. If they succeed in doing so, they will do damage to the whole reciprocal trade system.

The peril-point provision retains the germ of the protectionist philosophy which the world trading position of this country has long since rendered obsolete. And as a prac-

tical working matter, the success of the program initiated by Secretary Hull has depended at least in part on freedom of negotiation by the President's representatives in the tremendously complicated bargaining discussions held periodically with other trading nations. Furthermore, the pressures induced by any proposal to lower tariffs are bad enough; the peril-point procedure only makes them worse. Under existing practice, all interested persons, all businesses that might be affected by a change in the rates, all Government agencies concerned, have ample opportunity to express their views. And most of our agreements have an escape clause for protection in case of serious injury.

Ever since the outbreak of the Second World War, our foreign trade has been carried on under abnormal conditions. But the necessity still remains for the United States to encourage imports, and that condition will persist so long as we are the world's great creditor. The administration's request for a 3-year extension of the existing reciprocal trade law should be approved.

[From the Pittsburgh (Pa.) Post-Gazette of January 24, 1951]

EXTEND THE TRADE ACT

Although the problems of security for ourselves and our allies overshadow all other legislative issues, the question of renewing the Reciprocal Trade Agreements Act for another 3 years will no doubt prove a lively one for Congress. Foreign policy splits between the Republicans and Democrats are never so marked as in the field of trade relations. While it is true that a goodly number of Republican lawmakers are by no means protectionist in their tariff attitude, the GOP as a whole on the basis of its record does not take kindly to the idea of lower American trade barriers.

Thus, it was the GOP Eightieth Congress that hobbled the Reciprocal Trade Act with the so-called peril point amendment, thereby weakening this country's role as a leader in the campaign for freer commerce among nations. The succeeding Democrat-ruled Congress struck out this amendment, which had handicapped the Executive in swapping tariff concessions. Now the Republicans can be expected to try to put it back in the new extension that must be voted before June 12.

The peril point amendment is advanced as a safeguard against a domestic industry being seriously hurt by imports. Yet due protection to industry has not been wanting under the normal reciprocal trade law, which has worked well without such a clause for some 15 years. Actually, by giving the Tariff Commission broad powers of review, this amendment would mean lengthy delays in reaching reciprocal accords. On the whole, it would put needless obstacles in the way of worthwhile tariff adjustment.

"Continued participation by the United States in the cooperative effort to improve conditions of world trade," Mr. Acheson told a House committee this week, "will be recognized both at home and abroad as one clear indication that behind the shield of military power which we and our allies are creating, the techniques of growth and expansion are being maintained intact." To assure that continued participation and indeed to give evidence that this country means to lead the free world to a saner economic order, Congress should extend the Trade Agreements Act with no strings attached.

[From the Boston Herald of January 22, 1951]

TARIFF COMMON SENSE

The House Ways and Means Committee begins hearings today on a bill to extend the 17-year-old reciprocal trade program for

another 3 years. There is little doubt that this vital measure will be adopted in some form. But die-hard opponents are mustering their strength against it, and, if they are not watched, they may succeed in entangling it in reservations and amendments.

This must not be allowed to happen.

The principal reservation now being suggested is a return to the peril-point clause, which enjoyed a brief trial during the Eightieth Congress. This clause would simply require the President to consult Congress before lowering any tariff below a point designated as dangerous to domestic producers, and would not be particularly troublesome in itself. It would, however, signal a drawing back on our tariff reduction program at a time when logic and self-interest should be taking us strongly in the opposite direction.

The United States for many years has been a creditor Nation and since the war our credit position has become enormously more pronounced. During the 4 years 1946-49 we ran up an export surplus of \$29,000,000,000 (excluding \$3,000,000,000 of net receipts from investment income), which was nearly half of our total exports. All but a fraction of this was paid for by United States Government grants and loans. This simply cannot go on indefinitely. Eventually we must either stop selling abroad or let our customers pay for what they purchase by selling their own goods here.

It will doubtless be pointed out by the tariff group that the dollar gap of the early Marshall-plan period is now rapidly disappearing under the impetus of renewed United States military buying, and that the argument for tariff concessions is weakened to that extent. The Gray Report on Foreign Economic Policies, however, makes it abundantly clear that this condition is temporary. The moment European rearmament starts catching up with ours, the gap will reappear, and we must work harder than ever at finding solutions that do not involve Government hand-outs.

We are, moreover, looking for long-term as well as short-term solutions. And it is apparent that we cannot hope to get permanent stabilization of trade at the high level our exporters want unless we clear the way for a much freer flow of imports. The tariff conservatives, who would lean indefinitely on Government protection at home and Government handouts abroad, are living in a dream world. They should catch up with reality.

In fact, as the President's economic advisers suggest, we should go beyond mere renewal of the Reciprocal Trade Agreements Act. We should also push to speedy enactment the proposed Customs Simplification Act. And we should give serious consideration to the possibility of letting the President reduce tariffs unilaterally, at least during the present emergency, on essential items now in short supply.

But the reciprocal trade program is the indispensable and fundamental first step. Prompt approval of the administration bill will demonstrate our good intentions, and we can build from there. It is important that we do not stumble at the start.

[From the Christian Science Monitor of January 23, 1951]

RENEW THE TRADE ACT

American leadership for freedom must include leadership in the economic as well as political and military fields. One aspect of this leadership is reflected in American trade policies. This year what the United States Congress does about the reciprocal trade agreements will be watched closely throughout the free world and on the other side of the curtain, too.

It is specially important as hearings on the Trade Agreements Act get under way in the Ways and Means Committee of the House of Representatives that Americans under-

stand why the trade program for mutual reductions of tariffs should be renewed without restrictive modifications.

In the 17 years since the reciprocal trade program was inaugurated it has proved itself so convincingly that few responsible voices are raised these days for its abolition. Most of the opposition centers on limiting the Government's powers under the act.

For example, it is again being suggested that the peril-point clause should be added to the law. Such a clause would require the President to consult Congress before lowering a tariff below a point considered dangerous to domestic industries.

This is undesirable not so much because of its probable application as because it would preserve protectionist fallacies in a program designed to overcome these very fallacies.

This is no time to advertise any remnants of an American economic isolationism. The tasks of survival demand the broadest readiness among all free peoples to learn how to live together and to strengthen each other. The United States must lead in this, too.

[From the New York Herald Tribune of January 24, 1951]

ENCOURAGING RECIPROCAL TRADE

As the world's largest creditor Nation, the United States can make the most appropriate sort of contribution toward widening the base for international financial stability by reaffirming its unqualified adherence to the reciprocal trade program. Neither the unsettled state of military affairs nor the temporary use of economic controls here and abroad diminishes the importance of our holding fast to basic objectives. The trade program is a logical part of the total policy we are directing toward the achievement of those objectives. We want to encourage economic self-reliance, not dependence, in friendly nations. We wish private traders and investors to participate fully in international exchange and development. We recognize the necessity of cutting away those barriers and discriminations that have so often invited political chaos and armed conflict.

Neither the trade program nor any other single program can do the whole job. Yet other countries will judge the sincerity of our total intention, and the wisdom of following our lead, by our willingness to take the individual steps leading toward the ultimate goal. For this reason favorable action on trade act renewal is of particular practical and symbolic importance.

One might have supposed that there would be no opposition within the House Ways and Means Committee to the renewal of so constructive an element in our foreign economic program. Not so. The old arguments, despite their having been riddled in the past, are being dusted off again: "American industry needs high-tariff protection. Tariffs will be slashed without warning. American industries will be destroyed. The only way to make the trade agreements safe is to nullify their central principle; no real concessions can be exchanged."

This total argument is contrary to fact and reason. American industry is the most efficient in the world; it does not live by high-tariff protection. Tariffs will not be cut without warning; even without the contradictory and unworkable peril-point provision, the law provides extensive opportunities for all interested public agencies—including the Tariff Commission—and private persons or groups to testify as to the possible results of future tariff concessions. American industry will not be destroyed; 16 years of reciprocal trade experience proves this. The reciprocal trade law is in the Nation's interest; it should be renewed in its present form.

[From the Philadelphia Bulletin of January 23, 1951]

THE IMPORT "PERIL"

A drive for the renewal of the Reciprocal Trade Agreements Act comes when the Nation faces a strain on its resources from a huge military program. No hardy isolationist will claim that the United States can do the job before it without great quantities of imports. The "peril" point that some Republicans worry about when they think of goods coming from other countries seems remote when the United States needs about everything it can get its hands on.

When the reciprocal trade policy was adopted by Congress 16 years ago we had trouble selling our products. We appeared to have more than we needed. If a liberal trade policy was sound then, it is today.

Most high protectionists will agree we need the world's minerals and raw materials in this crisis of rearmament. But some of them are so wedded to their theories that Congress still keeps a tariff on copper, although we desperately need every ounce.

Right now customers are on a buying spree to stock up manufactured goods they fear will become scarce. They are certainly not worrying about the peril of having too much. Every customer will cheer if Europe and Asia are in the mood to send us anything we need.

Mr. REED of New York. Mr. Chairman, I yield myself 35 minutes.

Mr. Chairman, perhaps this would be the best place to read into the RECORD some of the labor organizations that were opposed to the extension of this Trade Agreements Act without amendment. I refer to pages 298 and 299 of the hearings which show the following labor organizations opposed to it:

Labor organizations: American Flint Glass Workers' Union; Atlantic Fishermen's Union; Seafarers' International Union; Fish Cannery Workers' Union of the Pacific; International Brotherhood of Bookbinders; International Photo-Engravers' Union of North America; United Hat, Cap, and Millinery Workers' International Union; International Council of Aluminum Workers' Unions; National Brotherhood of Operative Potters; United Cement, Lime, and Gypsum Workers' Union; International Chemical Workers' Union; National Match Workers' Council; Greenhouse Vegetable Workers' Union 20557; United Wallpaper Craftsmen and Workers' Union of North America.

Management organizations: American Glassware Association; National Association of Manufacturers of Pressed and Blown Glassware; Scientific Apparatus Makers' Association; National Fisheries Institute; Gloucester Fisheries Association; Massachusetts Fisheries Association; Seafood Producers' Association of New Bedford, Mass.; California Fish Cannery Association; Book Manufacturers' Institute, Inc.; American Photo-Engravers' Association; The Hat Institute; Wool Hat Manufacturers' Association of America; Reynolds Metals Co.; United States Potters' Association; Vitrified China Association, Inc.; Edgar Bros. Co. (kaolin); Manufacturing Chemists' Association; Synthetic Organic Chemical Manufacturers' Association; American match industry (no association); National Hot House Vegetable Growers' Association; The Wall Paper Institute.

America's Wage Earners' Protective Conference is composed of the following national and international unions affiliated with the A. F. of L.: International Brotherhood of Bookbinders; International Union of Operating Engineers; International Photo-Engravers' Union of North America; Atlantic Fishermen's Union; Glass Bottle Blowers' Association; American Flint Glass Workers' Union; Window Glass Cutters' League of America; United Hatters, Cap, and Millinery

Workers' International Union; Brotherhood of Painters, Decorators, and Paperhangers of America; National Brotherhood of Operative Potters; American Wire Weavers' Protective Association.

Of course, in the eyes of the bureaucrats, these are just little people who have payrolls, people paying for their own homes, perhaps the central industry of a certain town—these workmen who are being sold out. Just kill them off say the free traders with this trade-agreement proposition here and let the communities die in their tracks.

Mr. Chairman, the two issues before the House in its consideration of H. R. 1612 are whether the Congress should again delegate authority to the President to make new trade agreements, and if the Congress does so delegate this authority what should be the terms of the delegated authority.

My position on these two issues can be as simply stated as the issues themselves and it is that: First, no further delegation of authority should be made by the Congress to the President to make new trade agreements; second, if such authority is granted by the Congress, then, as a bare minimum, H. R. 1612 should be amended to provide: 1. That, with certain modifications as discussed below, the peril-point report provisions established by the Trade Agreements Extension Act of 1948 be reenacted; 2. That the President be directed to prevent the application of reduced tariffs and other concessions made in trade agreements with the free nations to imports from Soviet Russia and Communist China, and to imports from any Communist satellite country (including North Korea) which the President finds is part of a conspiracy against the free world; 3. That, for the purpose of clarification and to facilitate procedures, certain standards be established by the Congress for the guidance of the President in determining relief under the escape clause; 4. That the authority of the President to make new trade agreements be extended for a 2-year period instead of a 3-year period.

These four qualifications on the terms of the President's authority were unanimously recommended by the Republican members of the Ways and Means Committee.

In 1934 the citizens of the United States were told by unsound propaganda of the State Department that reciprocity would lay the foundation for perfect peace and brotherhood throughout the world. Our people were assured by the proponents of the trade agreement program that there would be no need for further conflict or wars if only we of the United States would agree to enter into reciprocal trade agreements with various foreign countries. This plausible but false idea was exploited to the fullest degree. What was the result as one after another trade agreement was entered into by the United States?

The result was that international trade, commerce, investments, and other economic relationships became more confused with every new trade agreement entered into. Currency depreciation and other forms of monetary ma-

nipulation became the order of the day. Exchange control, including clearing and compensatory agreements, were adopted as Government policy in the struggle of many nations to get an economic advantage over the people of other countries. Trade and commerce became confused with a maze of quota restrictions, licenses, permits, and other forms of control. A multitude of different unfair methods of competition became the practice of the day. All manner of foreign discriminations were introduced or resulted from the numerous so-called reciprocal trade agreements entered into by the United States with foreign nations and between various foreign countries. The trade agreement program during the past 17 years has become nothing more nor less than a poorly conceived device for reducing custom duties to let foreign-made competitive goods and other products into our domestic market, to the injury of American labor, the American farmer, American industry, and the American taxpayer.

The truth about reciprocal trade agreements has never been revealed to the public by the State Department. It has resorted to misrepresentations as to the objective of the trade agreements and to false promises with respect to expected benefits to the United States.

The propaganda that peace would be restored and permanently underwritten by the proposed agreement made a powerful emotional appeal to the mothers and fathers throughout the Nation. International peace through trade agreements stirred into action the Christian churches, the women's organizations, and every mother who had suffered a tragedy in her home as a result of World War I. This sham crusade for peace led by the State Department became one of irresistible pressure on Congress to support this New Deal tariff-reduction plan for world peace. This unholy propaganda resulted in the enactment of the Trade Agreement Act of 1934. It did not result, however, as many a bereaved family knows, in the nations of the earth "beating their swords into plowshares."

I shall show later how it did promote war and also the price our Nation paid in American blood, lives, and treasure.

It was urged by the proponents of the trade-agreement program under the leadership of the State Department that, aside from the promotion of world peace and brotherly love, the adoption of the tariff-reduction scheme would increase our exports and thus bring prosperity to our workers, industries, and farmers. This was another fantastic promise on the part of the State Department that did not materialize from lower tariff concessions.

To fortify this statement's indisputable facts let me point out that the physical quantity of exports during the 5-year period—1935-39—before the beginning of World War II was only 80 percent as much as during the earlier prosperous 5-year period—1925-29. In other words, the physical volume of exports was actually 2 percent less under the reciprocity than under the American system of prosperity at home.

Now then, the assurance given the public that the Trade Agreements Act, if adopted, would bring about peace in the world and that the program would increase exports did not materialize. I state to the Congress, without fear of successful contradiction, that the trade agreements program as carried out by the State Department contributed to the wars in Europe and to the one in the Pacific. Had it not been for the perfidy of the State Department in deceiving the public with reference to exports the United States would not have been involved in a war with Japan. What did the State Department officials do when they found that there was a 20 percent reduction in exports under reciprocity than there had been under the American system of protection? Not only the State Department but also the entire New Deal administration forfeited their promise of peace under the trade agreements program and instead encouraged the shipment of war materials to foreign nations in an effort to build up the promised increased exports.

I shall now show the tragedy for which the State Department has been responsible. Exports became more important to the State Department than human lives. Why not, said these zealous proponents of the trade agreements, furnish the war lords in Japan with our scrap iron, copper, steel, aircraft and plane parts, petroleum, street car rails, the latter removed from in front of the White House, the steel from the elevated railway in New York City and metal junk from all parts of the United States.

Robert T. Oliver, in his recent book entitled "Why War Came to Korea," makes this statement:

Japan's attack upon China in 1937 was strongly criticized in the United States, but during 1938 we provided Japan with 90.4 percent of her scrap iron and steel, and 76.9 percent of her aircraft and plane parts, 65.6 percent of her petroleum needs and many of her sinews of war. This trade continued to the very eve of Pearl Harbor.

I ask, has any group of persons or any nation by its acts, furnished Russia with more effective propaganda than to point out to the Chinese the fact that the United States armed Japan with the material to make the weapons with which to slaughter the Chinese women and children? The warmongering program of the State Department finally succeeded in preparing Japan for an all-out war against us. There could have been no war in the Pacific and the Far East had it not been for the shipment of war supplies by the United States to a potential enemy.

Let me present the facts to establish the responsibility of the State Department more in detail. The very year—1937—that Japan opened war in China our exports of scrap iron and steel exports to Japan amounted to 2,081,037 tons, or enough to build 20 battleships of 45,000 tons each; 200 submarines of 2,400 tons each; 10 aircraft carriers of 30,000 tons each; and 26 cruisers at 15,000 tons each. Thus the State Department could claim an increase in exports—not in the regular course of com-

merce—of which to boast, so long as the character of the diabolical purpose of these exports were not disclosed to the public.

The next year—1938—our scrap and steel exports to Japan were 1,463,000 tons; 1939 they were 2,179,000 tons, and in 1940 they were 1,248,000 tons. At this point in this program of claiming an increase in exports as promised by the State Department, the United States foreign trade statistics, normally published by the Department of Commerce, became a military secret. No official figures are available to reveal the amount of metals and war materials exported to Japan in the first 11 months of 1941. The fraudulent claim that the trade agreement program was responsible for an increase in exports was becoming debunked. Protests against arming Japan were being heard in Congress. An inquiry as to why the State Department was suffering and permitting these shipments would have been most embarrassing to the trade agreement proponents. Arming a country to cut the throat of our Chinese friends as a means to claiming credit for increased exports under the trade agreement program would have been indefensible. These war exports to Japan came back with ghastly results.

At 7:55 o'clock on the morning of December 7, 1941—Hawaiian time—100 Japanese planes, built of and equipped with our exports, attacked our United States Pacific Fleet anchored at Pearl Harbor, T. H. To aid in this raid several midget submarines constructed with our exports assisted the Japanese planes in their raid on our men and ships. It was our exports to Japan that totally destroyed the battleship *Arizona*. This raid severely damaged the battleships *Oklahoma*, *Nevada*, *California*, *West Virginia*, and three destroyers, one target ship, and one minelayer. Damaged but finally repaired were the battleships *Pennsylvania*, *Maryland*, *Tennessee*; cruisers *Helena*, *Honolulu*, *Raleigh*; one seaplane tender, one repair vessel, one drydock. Our loss of airplanes in this raid: Navy, 80; Army, 97.

All of this damage and cost was inflicted by Japan with our exports to her of essential war material.

But here is the ghastly part of this export program. Casualties: Navy, 2,117 officers and men killed; there were 960 missing and 376 wounded. Army, 226 officers and men killed; 396 wounded.

This is the result of an attempt of the State Department to deceive the American people that exports had actually expanded as a result of the reciprocal trade agreements.

Have the American people suffered enough from the perfidy of the State Department? Now after the experience of the holocaust at Pearl Harbor is the same scheme of arming our enemies being suffered and permitted to be continued as a permanent appeasement policy? The shipment of essential war material to Russia and Red China from our own ports has continued since and even before the Korean War.

I call attention to the fact that the State Department, in its mad rush to in-

crease our exports, stripped our Nation of copper, scrap iron, and other essential war materials to the point where the children were asked to save their copper pennies for our war needs. The State Department had a secret meeting with the Ways and Means Committee, urging the removal of the tariff on scrap iron to aid our war effort. The country was so reduced in scrap metal that ships and men had to go to Central America and the Caribbean islands to collect old sugar mills and the rails from abandoned railroads to replenish the loss of the material that had gone to Japan to enable her to butcher the Chinese.

It would not be fair to leave this subject without further emphasizing the fact by repeating that during the 5-year period 1935-39 a very large portion of the exports of commodities consisted of materials needed by Germany, Italy, and Japan in their preparations for World War II. They imported from us, not because of trade agreement concessions, but in order to prepare for war. In other words, if I may repeat, not only was the physical quantity of legitimate exports 20 percent less than during the earlier period, but a very large portion of the exports which we did find possible consisted of scrap iron and steel, petroleum products for military purposes, trucks, tractors, and other vehicles, machinery for the making of war instruments of destruction.

It should not be forgotten that much of the exports of farm products were made possible by payment of export subsidies, and not as a result of reciprocal trade agreements.

Aside from the contribution of the State Department to the death of our boys at Pearl Harbor and the devastating war that followed in the Pacific, the loss in revenue from the reduction in custom duties under the reciprocal trade agreements should not be overlooked.

The rate of duty imposed upon dutiable imports has now been reduced down to the last month for which the official figures—which averaged on 12.4 percent of the value of dutiable imports. So that whereas over a 20- or 30-year period—in fact at the turn of the century—our tariff averaged something like 36 percent. Now, the tariff has been gradually reduced under the trade-agreements program until the last month—as I say—the tariff was on 12.4 percent of the value of the dutiable commodities. The value of imports has increased and they are now up to well over \$6,000,000,000 so that even with the low rate of duty the revenue has not increased. Over one-third of all imports are dutiable—just about \$2,000,000,000 out of \$6,000,000,000 are dutiable. Now during the 5 years since the war closed—there is no use discussing the revenue during the war period—the customs duties have been as follows:

During the year 1945, \$391,000,000.

During the year 1946, \$498,000,000.

During the year 1947, \$445,000,000.

During the year 1948, \$417,000,000.

During the year 1949, \$374,000,000.

They had been up to a very much higher level than that. During earlier periods the revenue customs duty col-

lected had run up to approximately \$600,000,000 a year. In other words, during the 10 years from 1920 to 1930, there had been right around \$600,000,000—now they are down to less than \$400,000,000. In spite of the fact that our imports have increased from \$400,000,000 to \$600,000,000, because of the lower rates under the trade-agreements program, the revenue has decreased from an average of \$600,000,000 to \$400,000,000. The result is that we are now losing \$200,000,000 a year in revenue, because of the trade-agreement concessions. Well, if you lose \$200,000,000 a year, it only takes 10 years to lose \$2,000,000,000. So you could say that during the last 10 years we have lost \$2,000,000,000 because of the low rates.

I want to call attention of my colleagues to the fact, and a tragic and indefensible one, that Communist Russia and all of her Communist satellites, including Red China, are getting the benefit of every tariff concession made in every trade agreement entered into by the United States.

Communist Russia and all of the countries behind the iron curtain, including Red China, get all of the tariff concession benefits without granting a single concession to the United States.

This is simply a repetition of arming another foe with the implements to destroy our American boys. Such deadly material exported to Russia and paid for by free imports into the United States from Russia in time of war cannot be successfully defended. To grant Communist Russia and the countries dominated by her the same tariff reductions the United States has made to 45 other free nations is to furnish Russia and her satellites the dollars with which to buy arms, ammunition, and other war materials with which to build tanks, planes, and trucks to prosecute a war against us is unthinkable and preposterous.

THE PERIL POINTS

In considering why it is imperative that the Congress establish some safeguards to the conduct by the State Department of this program I call the attention of every Member of the House to the following statement which was made by the State Department to the Ways and Means Committee regarding the objectives of trade-agreements legislation. The statement is as follows:

We shall have a clear mandate to broaden the basis of United States foreign trade, to create purchasing power for American exports, and to guide the economy as a whole into the most productive lines possible.

I repeat "to guide the economy as a whole into the most productive lines possible." Let me ask the proponents of this legislation to point out to me the section of this law or the section of any past extension of the trade-agreements program which gives the State Department authority to "guide the economy as a whole into the most productive lines possible." I suggest, Mr. Chairman, that they cannot do so, because there is no such authority and it was never intended by the Congress that the State Department should be entrusted with the responsibility of "guiding the econ-

omy as a whole into the most productive lines possible." But, and here is the crux of the matter, State Department officials believe they have this authority and it is for this reason that some safeguards must be established by the Congress if H. R. 1612 is enacted.

Personally I do not feel that the peril point procedure adopted in the Extension Act of 1948 and recommended by the Republicans for reenactment at this time is an adequate safeguard because in the final analysis it means only that the President will have to advise the Congress if the State Department negotiators have reduced tariffs below a point which will result in serious injury to our domestic producers. But it is a step in the right direction. In brief, all that the peril point procedure will do is that—

First. The President will be required to submit the list of articles to be negotiated to the Tariff Commission.

Second. The Tariff Commission must make a factual study of each item and make a report within 120 days to the President. This report will contain the Tariff Commission's findings as to the limit the President might lower or raise duties without causing or threatening serious injury to the domestic industry producing like or similar articles.

Third. The Tariff Commission is required to hold hearings.

Fourth. The Tariff Commission is to continue to furnish factual information to the negotiating committees but members of the Tariff Commission may not sit as members of the Committee for Reciprocity Information or the Trade Agreements Committee.

Fifth. If tariff cuts and other concessions are made below the peril point report of the Tariff Commission, the President must identify the articles and state the reasons to the Congress for the action taken with respect to such items.

Sixth. The Tariff Commission is to furnish the Ways and Means Committee and the Finance Committee a copy of its report on only those items which have been cut below the peril point.

Those who oppose the peril-point procedure have been carefully schooled by the State Department in the argument that this procedure deprives the executive department from using the Tariff Commission and its employees in negotiating trade agreements. The answer to this is that the Tariff Commission was never intended by the Congress to participate in the conduct of foreign affairs—it was established as a bipartisan fact-finding commission by the Congress to carry on investigations and to supply information on our customs laws. It is not the function of the Tariff Commission to trade and to negotiate, and in fact it is the very purpose of the peril-point report that the findings of the Tariff Commission be made as a full commission based on facts and not vague international objectives.

The only argument of any possible substance against the peril-point safeguard procedure in the 1948 Extension Act was the requirement that a copy of the complete report of the Tariff Commission, including the items on which concessions did not go below the peril

points, was to be furnished the Committee on Ways and Means and the Senate Committee on Finance. It was alleged by the State Department that some dissatisfaction by foreign countries might arise if they learned that their negotiators had not held out for the maximum reduction which the Tariff Commission reported could be made without serious injury, or the threat of it, to our domestic producers. To remove this objection we recommend a change in the peril-point procedure so that the information to be supplied by the Tariff Commission to the Congress will be limited only to those items on which trade agreement concessions go below the peril points.

It is ridiculous to say as the State Department does that the Tariff Commission cannot establish peril points. The dissenting members of the interdepartmental committee are charged un-

der Executive Order 9832 with the duty of "giving the reasons for their dissent and specifying the point beyond which they consider any reduction or concession involved can be made without injury to the domestic economy." It is not a question of being able to establish peril points, but rather whether the State Department or the expert Tariff Commission is better equipped to do so.

In substance the issue boils down to whether in its calculated-risk policy of guiding the economy as a whole into the most productive lines possible, the State Department should have available to it the expert advice of the Tariff Commission. The very stating of the issue must in itself supply the answer to any reasonable person.

THE ESCAPE CLAUSE

One of the most serious defects of this misnamed program is that no provision

for an escape from serious injury or the threat of it caused by imports resulting from reduction in tariffs and other concessions is contained in the trade agreement law itself. An escape clause was inserted in the trade agreement with Mexico in 1943 and all subsequent agreements now contain such a clause. Due, however, to the ambiguity of the language of the clause and the failure by the Congress to establish any guiding principle for the President in determining when relief under the escape clause should be granted, only one application for relief has ever been made. At this point, Mr. Chairman, I would like to insert the record of what has happened to applicants who have applied for relief under the escape clause. As you will see the escape clause is a wholly ineffective remedy—in fact it is no remedy at all.

UNITED STATES TARIFF COMMISSION, WASHINGTON

Applications for investigations under escape-clause provisions of trade agreements

Commodity	Name and address of applicant	Date received	Status
1. Marrons.....	G. B. Raffetto, Inc., New York, N. Y.....	Apr. 20, 1948	Dismissed without formal investigation, Aug. 27, 1948.
2. Whiskies and spirits.....	United States Distillers Tariff Committee, Washington, D. C. (application filed on behalf of 28 distilling companies).	Sept. 7, 1948	Dismissed without formal investigation, Jan. 3, 1949.
3. Spring clothespins.....	The DeMerit Co., Waterbury, Vt. (6 other producers).	Nov. 10, 1948	Formal investigation ordered Apr. 27, 1949. Completed Dec. 20, 1949. No modification in concession recommended.
4. Knitted berets, wholly of wool.....	The American Basque Berets, Inc., New York, N. Y.	Feb. 11, 1949	Dismissed without formal investigation, July 8, 1949.
5. Crude petroleum and petroleum products.....	Independent Petroleum Association of America, Washington, D. C.	Feb. 15, 1949	Dismissed without formal investigation, May 3, 1949.
6. Hops.....	United States Hop Growers Association, San Francisco, Calif.	Mar. 28, 1949	Dismissed without formal investigation, May 11, 1949.
7. Reeds, wrought or manufactured from rattan or reeds, cane wrought or manufactured from rattan, cane webbing, and split or partially manufactured rattan, n. s. p. f.	American Rattan & Reed Manufacturing Co., Brooklyn, N. Y.	May 20, 1949	Dismissed without formal investigation, Feb. 17, 1950.
8. Narcissus bulbs.....	Northwest Bulb Growers Association, Sumner, Wash.	June 9, 1949	Dismissed without formal investigation, Jan. 13, 1950.
9. Sponges, n. s. p. f.....	Sponge Industry Welfare Committee, Chamber of Commerce, Board of City Commissioners, Greek Community, all of Tarpon Springs, Fla., Association of Knitted Glove and Mitten Manufacturers, Gloversville, N. Y.	June 14, 1949	Dismissed without formal investigation, July 22, 1949.
10. Knit gloves and knit mittens finished or unfinished wholly or in chief value of wool; gloves and mittens embroidered in any manner, wholly or in chief value of wool; gloves or mittens, knit or crocheted, finished or unfinished, wholly or in chief value of cotton.		Aug. 5, 1949	Action deferred to study further developments, Nov. 22, 1949.
11. Knitted berets, wholly of wool (2d application).....	The American Basque Berets, Inc., New York, N. Y.	Nov. 23, 1949	Dismissed without formal investigation, Jan. 13, 1950.
12. Woven fabrics in the piece, wholly of silk, bleached, printed, dyed, or colored, and valued at more than \$5.50 per pound.	Textile section of the manufacturers division of the Greater Paterson Chamber of Commerce, Paterson, N. J.	Jan. 5, 1950	Dismissed without formal investigation, Sept. 21, 1950.
13. Women's fur felt hats and hat bodies.....	The Hat Institute, Inc., United Hatters, Cap & Millinery Workers International Union, New York, N. Y.	Jan. 24, 1950	Investigation completed. Certain of the concessions withdrawn.
14. Stencil silk, dyed or colored.....	Albert Godde Bedin, Inc., New York, N. Y.....	Jan. 30, 1950	Pending.
15. Beef and veal, fresh, chilled, or frozen.....	Western States Meat Packers Association, San Francisco, Calif., and Washington, D. C.	Mar. 16, 1950	Dismissed without formal investigation, June 30, 1950.
16. Aluminum and alloys, in crude form (except scrap); aluminum in coils, plates, bars, rods, etc.	Reynolds Metals Co., Louisville, Ky.	Mar. 24, 1950	Dismissed without formal investigation, Nov. 21, 1950.
17. Aluminum and alloys, in crude form (except scrap); aluminum in coils, plates, bars, rods, etc.	Kaiser Aluminum & Chemical Corp., Washington, D. C.	Apr. 7, 1950	Do.
18. Lead-bearing materials, lead and lead scrap.....	Emergency Lead Committee, New York, N. Y.....	May 11, 1950	Dismissed.
19. Lead-bearing materials, lead and lead scrap.....	New Mexico Miners & Prospectors Association on behalf of lead producers of New Mexico, Albuquerque, N. Mex.	May 16, 1950	Do.
20. Hatters' fur, or furs not on the skin, prepared for hatters' use, including fur skins carotated.	The Hatters' Fur Cutters Association of the U. S. A., New York, N. Y.	June 22, 1950	Formal investigation ordered Jan. 5, 1951.

SECTION 22-AAA

Edible tree nuts.....			Investigation ordered Apr. 13, 1950.
Harsh or rough cotton bawing a staple of 1½ in.....			Investigation ordered June 30, 1950. Hearing held July 18, 1950. Report to President Aug. 14, 1950.

SEC. 336

Grape wines containing more than 4 percent alcohol.....	National Association of Alcoholic Beverages.....	June 30, 1950	Dismissed Sept. 15, 1950.
Almonds.....	Almond Growers Exchange, California.....	July 8, 1948	Report to President November 1949.

SECTION 337

Pistol-simulating cigarette lighters.....	Gunlite, Inc., New York City.....	July 26, 1950	Dismissed Sept. 15, 1950.
Rubber catheters.....	Davol Rubber Co., Providence, R. I.....		Dismissed Nov. 28, 1950.

To correct this deplorable situation it is imperative that the Congress establish certain criteria which will be recognized as a presumption that a serious injury or the threat of it has occurred. This will greatly expedite the procedure under the escape clause and give assurance to all segments of the economy that it is not futile for them to apply for relief. This problem will be discussed more fully as the debate develops, and for that reason I pass now to the question of imports from Russia, Communist China, and their satellite Communist countries.

IMPORTS FROM RUSSIA, COMMUNIST CHINA, AND OTHER IRON-CURTAIN COUNTRIES

As the result of the most-favored-nation principle, reductions in duty and other concessions made by the United States with all countries under the trade-agreement program are automatically extended to Russia, Communist China, and all other Communist-dominated countries. We now have trade agreements with approximately 45 free countries, covering literally thousands of imported items, and the benefits of all these concessions contained in these agreements are now benefiting Russia, Communist China, and their satellite iron-curtain countries.

In the case of Russia, for example, approximately 88 percent of its dutiable imports into the United States benefit from reduced rates provided in trade agreements by us with free countries, and 92 percent of the tax-free imports from Russia consists of products bound on the free list in trade agreements by us with free countries.

In the case of Communist China, 72 percent of the dutiable imports into the United States from that country benefit from trade-agreement concessions granted by us to free countries, and 75 percent of the duty-free imports of that country benefit from our concessions to the free nations.

Briefly summarized, similar figures for other iron-curtain countries are as follows:

Poland, 80 percent of the dutiable imports and 79 percent of the free imports.

Hungary, 73 percent of the dutiable imports and 69 percent of the free imports.

Bulgaria, 97 percent of the dutiable imports and 30 percent of the free imports.

Manchuria, 99.8 percent of the dutiable imports and 98 percent of the free imports.

Rumania, 96 percent of the dutiable imports and 84 percent of the free imports.

It is outrageous that our American soldiers should be fighting the Communists in Korea while at the same time all the Communist countries are enjoying the benefits of concessions made by the United States to the free world without—except in the case of Czechoslovakia—having given the United States a single concession in return. This rank and preposterous inconsistency in our foreign policy must be removed at once by the denying to Russia and Communist China, and to any Communist satellite country—including North Korea—which the President finds is part of a con-

spiracy against the free world, the benefit of the reduced rates which we have granted to the free world.

(Mr. REED of New York asked and was given permission to revise and extend his remarks.)

Mr. COOPER. Mr. Chairman, I yield myself 15 minutes.

(Mr. COOPER asked and was given permission to revise and extend his remarks.)

Mr. COOPER. Mr. Chairman, the pending bill, House bill 1612, was favorably reported by the Committee on Ways and Means by a vote of 18 to 7. It is very gratifying that three of our Republican colleagues on the committee joined with the solid majority in voting to favorably report this bill.

The purpose of the pending bill is to extend for 3 years from June 12, 1951, the authority of the President to enter into foreign-trade agreements under section 350 of the Tariff Act of 1930. The original Trade Agreements Act was approved on June 12, 1934, and has been extended six times.

As is shown on pages 14 to 19 of the report the various extension acts are there listed and it shows that the act was extended on March 1, 1937, again on April 12, 1940, again on June 7, 1943, again on July 5, 1945, again on June 26, 1948, and on September 20, 1949. It has always been the policy under this legislation for Congress to frequently make a review of this program. It was originally enacted for a period of 3 years, and the purpose expressed at that time was that Congress should periodically review the accomplishments under this type of program and retain control of the program by making these frequent reviews of the effects of the program, and that has been done throughout the years since the beginning of this program. The trade-agreement program is a very important part of our foreign policy and should be continued. The trade agreements resulting from the negotiations of the past 16 years are now in effect with 45 other countries. In 1949 about 75 percent of our foreign trade was carried on with these countries. The most important agreement made thus far under the program is the general agreement on tariffs and trade which was entered into first at Geneva, and then later negotiations were carried on at Annecy, France, and now negotiations are under way at Torquay, England. The first negotiations at Geneva were in 1947, and 23 countries participated in the negotiations. Over 100 negotiations took place; over 45,000 separate tariff rates were dealt with. At Annecy, France, in 1949, nine more countries negotiated with the original countries and became parties to the general agreement. When the negotiations now going on at Torquay, England, are completed, it is expected that seven more countries will become parties to the general agreement. Therefore it will be seen that this program has been systematically and carefully built up throughout the years of the existence of the program.

The general agreement is the most successful effort ever made to negotiate tariff reductions over a wide area of world trade. The products included in

the tariff schedules in the general agreement account for over one-half of the entire trade of the world. The fact that so many of the trading nations of the world are parties to this agreement means that its general provisions have a much wider application than the general provisions of any of the earlier bilateral trade agreements that were ever entered into. These general provisions now constitute an important part of the international commercial policy rules that apply between all of the commercial trading nations of the world. Thousands of our American businessmen are today profiting very materially by these rules governing commercial policy throughout the world. Why, it has been brought to our attention on many occasions that one of the most discouraging things encountered by American businessmen is the various trade restrictions that they have to encounter when they go to other countries of the world to try to dispose of their products, and among other things are the many restrictions with respect to getting their money out of those countries after they have sold their goods and their products there. These and the various other restrictions that apply to trade throughout the world are dealt with in these trade agreements in a scientific and effective manner, and the best results thus far accomplished in the field of foreign trade and commercial policy between the peoples of the different nations of the world have been accomplished under this trade agreements program. The program has been administered with great care. All negotiations have been handled on a product-by-product basis. All negotiations have been handled under safeguards adequate to meet the needs of particular industries or groups of producers. The procedures followed in the administration of the act include provisions for wide public hearings and public notice to secure the fullest possible information in dealing with these various commodities proposed by the different countries of the world.

They provide for making concessions to meet the particular situation of particular producers, so as to permit the proper degree of imports into this country and to avoid injury to domestic interests. They include the escape clause, which provides for the withdrawal of concessions should they cause or threaten serious injury to any domestic industry.

As an indication of the care with which the authority to reduce the tariffs by the trade agreements has been administered, it should be pointed out that out of all of the hundreds and even thousands of tariff rates which have been reduced in agreement since the escape clause was first introduced in 1943 only 20 applications have been made to the United States Tariff Commission for its use, and thus far only one has been recommended by the Tariff Commission to justify action. We were told that only 20 of these applications for the application of the escape clause had been made throughout all this period of time, and that six of those applications are still pending before the Tariff Commission. All the others except one had been dismissed as not meeting the requirements laid

down by the Tariff Commission, and in only one instance had the application been approved.

Mr. Chairman, it is well known that during the period covered by this program the people of the United States have achieved the highest level of prosperity and real income ever known in the history of this Nation. The standards of wages in the United States, as well as the income of our people and our farmers during this period, have been the highest in all history. The expansion of world trade brought about under the trade agreements program has contributed substantially toward this degree of prosperity.

It is not claimed by anybody that this program has been solely responsible for these gratifying results, but certainly it has made a material contribution in this direction.

Let us just remind ourselves for a moment in passing of the tremendous importance of foreign trade to the business of this country as well as agriculture. We know in ordinary times that we produce about 20 to 25 percent of our wheat as a surplus, about 55 or 60 percent of our cotton, about 40 percent of our packing house lard, as well as many other livestock products; and about 40 percent of our tobacco, as well as vast quantities of many other agricultural products.

We produce that much more in this country than we consume. Unless we can find a market throughout the world to dispose of these agricultural surpluses there can be only one result, and that is they will remain on the markets in this country and beat down the prices that our farmers receive for the products of their toil. Likewise it is true with reference to our manufactured products. We produce vast quantities of surplus products of many industrial items in this country. Unless we can find markets throughout the world to dispose of these surpluses they can have but one effect, and that is to curtail business in this country and produce results such as existed during the period of time when the doors of the markets of the world were closed under the operation of the embargo tariff provisions provided under the Tariff Act of 1930. This program has worked well. It is the most constructive effort that has been made thus far in the history of the country to carry on world trade on a scientific basis so as to keep secure the maximum degree of benefits and at the same time permit the least possible degree of injury to any industry in the country or any product produced by our people.

So we feel the splendid results accomplished under this program justify further confidence and support, and we ask for your support of the pending bill.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. REED of New York. Mr. Chairman, I yield such time as he may require to the gentleman from New York [Mr. KEARNEY].

Mr. KEARNEY. Mr. Chairman, once again we are debating a bill to extend the reciprocal trades agreement for another 3 years. I want to go on record as opposed to this extension for 3 years.

I believe in reciprocity in its broad sense but I do not believe that under the law which has been on the statute books for many years it even begins to add up as a reciprocity act. To me, reciprocity is not a one-way street but that is what the act has been in my humble opinion.

If the act has to be renewed, it would be far better to extend it for a period of 1 year in order that a thorough review be had during the coming 12 months. It would be well for the Congress to appoint a joint committee composed of not only members of the Ways and Means Committee but also members of the Foreign Affairs Committee. This committee, in the joint study of the Reciprocal Trades Agreement, should go into the question of its effect not only on our domestic economy but its importance to our foreign policy.

There should most certainly be a part of any bill passed by this House a provision for an escape clause. Further, the Tariff Commission should be required to publish its reasons for dismissing any application and investigations.

In the Thirty-first Congressional District of New York, the district I have the honor to represent, we have a large segment of our economic life devoted to the manufacture of fine ladies' and men's leather gloves, fabric gloves, and knitted woolen gloves. This industry is one of the oldest in our country. The requisite skills in cutting and sewing leather gloves have been handed down by generations from father to son and in one county of the Thirty-first District of New York, my own home county of Fulton, practically the entire economy of over 50,000 people is directly dependent upon the welfare and progress of this industry. This is also true of many communities in the Middle West, throughout Wisconsin and Michigan.

On June 9, 1950, I appeared before the members of the Committee for Reciprocity Information and gave to them the above facts and followed with further information on our industry. A survey shows that almost 70 percent of the workers are in the age group of 36 to 47. By and large they own their own homes, have families, and are skilled workmen. I do not believe it was the intention of Congress in 1934, when the representation of the people delegated certain power to the executive branch of the Government, to negotiate with other nations from time to time on the question of raising or lowering the rates in our tariff structure, to force people to break up their homes and start life anew as unskilled laborers at lower wages. That is the prospect they face at being thrown into competition.

Back in 1929, Congress conducted extensive hearings as to tariff rates to be set on every item in the schedule. It was conceded then that the rates so set were to be in a measure a protection for American industry and American working men and women and to equalize, as far as possible, the difference between the cost of direct labor abroad and similar costs in this country.

One constantly hears that tariff is a form of subsidy but that is not so. A subsidy guarantees to a producer a fair return for his product. The tariff does not guarantee any producer anything.

Our industry cannot compete with foreign-made gloves, either leather or woolen gloves. Today, knit wool gloves coming from Japan, with practically the same design as ours hand-made, are being sold at retail much cheaper than we can make them. Today we are importing more than we ever did and, barring a war or depression, we shall continue to import as much or more. In our economy we certainly have a place for both importers and exports. But the fact that we have no control over the standard of living in foreign countries makes it necessary that we in the Congress protect, as far as possible, our own industries. Today, more than ever, the welfare of our people should be the adopted policy.

Mr. REED of New York. Mr. Chairman, I ask unanimous consent that the gentleman from Michigan [Mr. WOODRUFF] may extend his remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

[Mr. WOODRUFF addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. REED of New York. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS. Mr. Chairman, the question of the protective tariff is as old as our country and really a little older. You know, before the Constitution was written the States built up trade barriers, in a way, against each other and for the protection of themselves. And all that time Great Britain was trying to keep us as an agricultural country and nothing else. They wanted us to produce raw material for their manufacturing plants. When the Constitutional Convention was called the members of that Convention wrote a Constitution which cemented us together. The Constitution provided that one State could not levy a duty against the importation into that State of the products of another State. Ever since that time the protective tariff has been a live issue, and sometimes it has been more alive than others. Our country quite consistently has protected its industries against the importation of competitive articles from cheap-labor countries. So the program has been carried on, and today we naturally claim that it is a Republican doctrine because in the early days when the products of the North and South were more distinctively different than they are now, naturally the South was an agricultural section and were inclined to free trade, and the North, being an industrial section, needed and demanded protection.

So the writers of the Constitution put a provision in it which is very positive. Here is what it says in effect: It says that the Congress shall have the right and the power to levy duties and imposts, and so forth. That also puts the responsibility upon the Congress. That is our responsibility. We should write the tariffs and impose the duties. Today our good friend, the gentleman from Tennessee, stands in the well of the

House and tells how prosperous we are, and so forth. Well, I do not fully agree with him, especially his implications, but I do not have the time to go into details and argue with him on that proposition.

But this is what I am trying to suggest to you. We, the Congress of the United States, have in effect surrendered up a right which the Constitution gives us. More than that we have surrendered a duty and responsibility which the Constitution imposes upon us. We do not write the tariff laws any more. We have but very little to do with it. It is a case of where we have yielded an inch and they have taken a mile.

We have down here in Washington the trade agreements set-up, and that group, writes the tariffs, and they write all the concessions that we surrender up to the other countries. All they have to do is make a finding and tell the President just what they found, and he can do just what he pleases. The practical writing of tariffs today is in the hands of the President and those he appoints. I am not speaking of the Tariff Commission. The Tariff Commission is a dignified, bipartisan commission, made up of four Democrats and two Republicans. This Commission was set up to render a great service which was demanding attention. This Commission was given great responsibilities under the law. They have a responsibility under the law, but now they have been supplanted they have practically nothing to do with the writing of tariffs. That has been transferred over to the President, and the President does it through the groups and agencies that he appoints. I think that few if any of these appointments are confirmed by the Senate. I say that this departure is a usurpation of the power of Congress, a surrender of the power of the Congress that I have never supported and I do not intend to support. It is not necessary for us to give up this constitutional privilege and it is not consistent with good government for us to voluntarily surrender it by passing legislation permitting the executive department to usurp and to supplant the prerogatives of the Congress.

Let me give you the history of the tariff, as far as the Republican Party is concerned. The Tariff Commission was established for the purpose that its name implies—to deal with tariffs. In order to do it effectively we did what we have done several times before—and it is perfectly constitutional—the Congress has surrendered certain of its powers to the executive department but within definite and certain limitations. Congress has surrendered to the Executive some executive functions that the President and his executive staffs can and should do but these functions have been given to be exercised strictly within limitations. We the Republican Party passed the first reciprocal trade agreements, but we established them within limitations. We said, in effect, that the Tariff Commission shall study all these tariffs and trade matters and then make recommendations to the President, and the President then could go up or down, and increase or decrease the tariff rates within the limitations prescribed by

the law passed by Congress. He could not exercise any congressional functions except those which the Congress had given to him. We gave him his responsibility and his power, but we said he can go only that far. But today he can do just about as he pleases, because the Democrats have amended the laws so as to make the fixing of tariff rates and the regulation of the flow of imports and exports to and from our country an executive function to be exercised by the executive branch of the Government. The President has now practically the whole power; all the tariff fixing agencies are responsible only to him.

They talk about the law providing for an increase or a decrease in tariff rates. They say that the President is yet bound to raise and lower duties but I think I can say that in practically only one instance has the President or his group ever increased any tariff duty. Just think of it. The President in every instance but one has reduced the tariff duties and never increased them. It is by increasing duties he protects our industries and by reducing the duties he opens the doors of our ports to the great flood of foreign-made goods that fill our stores and take the markets away from American producers and American makers.

They say, "Well, how about the industry of the country?" I see my good friend who sits on the front seat on the Democratic side, right down in front of me, the gentleman from Kentucky [Mr. PERKINS]. He comes from a coal-producing county. I dare say that the coal producers in his county are not satisfied with the importations of oil, a million barrels of oil coming in every day. This is not a million barrels every week or every month or every year, but a million barrels a day coming in. What effect does that have on the coal industry? Ask any coal producer or any well-informed coal miner—and there are thousands of them—they will say that these importations of oil are very disastrous to the coal-mining industry.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield.

Mr. PERKINS. I wish to agree in your statement. I do come from a coal-producing State and a coal-producing section, and this residual oil problem has created quite a problem for the coal fields.

Mr. JENKINS. I am glad for the comment of the gentleman from Kentucky [Mr. PERKINS]. His mining industries are affected as are all other coal mines. It is a very serious problem. They say the coal business is a big business. It is but it has been curtailed dangerously. You can allow your feelings with reference to the producers and miners of coal to prejudice you against the industry generally but there are hundreds of thousands of men, women, and children dependent upon the coal industry. Today the coal miners of the country in 3 days a week can produce all the coal that the coal industry can sell in this country.

Many miners are idle 3 or 4 days a week and many the whole year

round. What is the reason? The reason is this million barrels of oil that is coming in every day. It finds its way into the furnaces and into the heating plants of the whole Nation. You cannot blame this situation onto the miners. This is another industry that you cannot say is prosperous. I do not know anybody who wants to invest money in the coal mining business. They are not listed on the stock exchanges in New York. Nobody is falling over himself to get into that business, because it has gone down about 50 percent. I can cite some other industries also that are suffering because of the so-called reciprocal trade agreements.

But getting back to my real point, it is the duty of Congress to levy tariffs and we should again assume it. We can do this if we will vote to put into effect real reciprocal trade agreements that are considered fairly and made fairly and enforced fairly.

We the Republicans first established reciprocal trade agreements, and they were truly reciprocal. What was then our basis? Mr. Chairman, the basis was a very simple little formula, very easy to remember. Here is what it was: The difference between the cost of an article at the port of entry and the cost of production of the same article in our country. That is how simple it was, and it worked well.

About 65 percent of all commodities that come into our country today come in duty-free. We by this action give a tremendous concession to practically all the countries of the world. But as I say, under the Republican administration we provided a system of sliding scales that would rise or fall only with the cost of production. That is what we applied against Japan when Japan paid wages of about 10 or 12 cents an hour and we were paying a dollar or a dollar and a half an hour. Nevertheless we told them and told all the countries of the world that they could bring their goods to our ports and we would admit them to the country if they would pay a duty equal to the difference between their cost of production and our cost of production.

We talk about the Tariff Commission today, our Tariff Commission might just as well be out of business as far as anybody's paying any attention to it unless it be a professor or somebody who wants to get some figures. That is about all they do. They are competent individuals, expert men in their fields, non-partisan, but that has nothing to do with it because the President and his men have taken over the matter of fixing all tariff rates.

Some say that you can go down there before the Committee for Reciprocity Information and get fine service. This is not in line with much testimony given before the Ways and Means Committee. The same can be said of the Trade Agreements Committee. These Committees operate under the guidance of the State Department with the purpose of pleasing the New Deal administration. They are creatures of the New Deal and are thorough in their knowledge of New Deal technique. The treatment that the average producer who wishes to complain receives is not in tune with the av-

erage business ethics of our country; it is not fair, it is not honest, it is not sincere. Some of you are lawyers. When you go into court and present your case and file your brief you expect an opinion some time and you expect the court to say why he did this or why he did something else. And you usually get an opinion which is decisive and the court will give a reason for what he has said and done. But the businessman who appeals to these executive agencies seldom gets any report and never any reasons. He does not know who reads his application and who passes on it. It goes to the President eventually and the President does just about as he pleases with it. That is about what happens, the complainant gets no serious consideration. That is not American, it is not fair, it is not decent. Something ought to be done about it but you cannot do anything about it unless you restore the Tariff Commission to the dignity which it ought to have. This proposed legislation should be amended severely and if not amended to restore the tariff making functions to Congress it should be defeated.

I remember well the time when Mr. Cordell Hull came before the Committee on Ways and Means with his reciprocal trade agreements bill. He was then the Secretary of State. He had been a Member of Congress and also a member of the Ways and Means Committee. He was an ardent free trader.

I want to respect him for his patriotism and for his ability, and all that; but when he came before the Ways and Means Committee in 1934 I was a member of the committee then. At that time he was not too anxious to observe all the amenities and to show the courtesy that a Secretary of State is usually expected to show. He took a position of infallibility and showed some impatience when anyone questioned the soundness of his arguments. His whole argument was that his method of dealing with foreign trade was the only method and that if we failed to follow his course war would be inevitable. He practically maintained that the only way to prevent a world-wide war was to adopt his so-called reciprocal trade agreements bill. He thought that the only way to prevent war was for us to give our markets away to the other countries, many of which were opposed to us in every way. The New Deal administration put every publicity agency of the country that it could control to work boosting the Cordell Hull trade accounts as the great preventive of war. Many people are still inclined to believe this fallacious piece of advertising in spite of the fact that nearly all the time since Mr. Hull presented this fallacious theory our country has been in a war or been operating under threatening war clouds.

Mr. Chairman, I am tired of seeing the resources of our country wasted on impractical experiments. I tell you, I have about come to the place where I am tired of giving everything away. This situation is more serious than many think it is. We have about come to the end of the road with these expensive and insecure policies.

They tell us that there is no industry that has ever suffered by reason of the discrimination of these trade agencies. Come out into my country and visit the potteries in my State and tell some of those people that trade agreements have done them no harm and wait to hear what they say. Or better yet read the testimony given before the Ways and Means Committee by a number of industries that have been driven well-nigh into bankruptcy. If the tariff had been effective and beneficial those industries would not be in such distress as they are today. But I realize that such arguments to New Dealers is just like sowing seeds on the rocks; there is no soil in which they can germinate.

Come out to my State and meet the glass people, if you will. You will find them to be typical Americans who love their country and would like to make a living, as they have always done. You will find there company after company folding up and going out of business. They have worked and planned, but the Government that they have and yet respect has taken from them this opportunity and has given it to the people of some other countries that are killing our boys in a war. These glass and pottery workers are fine American citizens who live in their own homes, but they have to compete with Czechoslovakia and other communistic countries. They have to compete with China and all the other countries of the world that make chinaware, many of whom are now at war with us in spirit if not in actual combat.

Let me give you an illustration of how this trade-agreement plan fails to work. A man told us a story in committee the other day. He is the greatest producer of tableware in America. He is a great man, very intelligent, a good fighter, but his business has gone down. He told us one day he went through Pittsburgh and noticed in a big department store there a fine dinner set. He thought it was one of his make. So he decided to go in and get acquainted with the man who was selling his dinner sets. He went in and said, "I see you have a fine dinner set in your window." The man said, "Yes."

"How much do you get for it?" the manufacturer asked.

I do not know the exact figures involved, but we will say \$125.

The store operator said, "\$125." The visitor then said, "Why, that is my production cost. You could not sell it at that price. They should sell for about \$375."

The department-store man said, "Let us go down and see."

They went down and found that the dinner set had been made in Japan. It had been made to imitate the product of this American manufacturer. It was the same pattern. The manufacturer did not know it from his own product. But, of course, he was chagrined to see the deception that was tending to put him out of business and his men out of work.

What are you going to do about cases like that? Those of you who support this New Deal deception cannot honestly say that nobody has been injured by this

system, because I say to you there have been many injuries. You ask me to prove it. Well, that is like I said before, why go before a packed group or board to prove a thing when you know that board will not pay any attention to you, you know they will not give you any consideration. They have repeatedly done so. We have testimony, an abundance of it, to prove what I am saying.

Let me go on to watches. There are no watches produced in my part of the country, so I can speak about that only from what they tell me. If you want to read a masterful presentation of the injustice that has been done to the watch industry of the Nation, read the testimony in the RECORD of the hearings on this bill. Other members of the committee will touch on that subject and no doubt will go into detail with facts and figures.

Last year the fisheries came in before our committee. They came from both coasts, the Atlantic and the Pacific, and protested vigorously.

There is a general protest rising up in a great crescendo all over the country. But our little President puts his foot down and refuses to yield the power that has improperly been given to him. There are some who say, "It is all right; this is all right." But it is not all right. Somebody is suffering every day.

Mr. Chairman, I will not have time to discuss the peril points nor these other very important propositions, but they will be ably discussed by others who will address this body. I want to say most emphatically again that this wrongful assumption of power by the Executive is a very important matter. We, the Members of Congress, have the duty to hold for Congress the rights that the Constitution gives it. This is our day and generation. We should not by reason of blind partisanship or political expediency yield the power to protect the rights of the people, which is our plain duty.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. MILLS. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, I have requested this time to advise the Members of the House that the announcement heretofore made that this bill will be taken up under the 5-minute rule on next Monday has been changed to next Wednesday. There are certain circumstances I was not aware of at the time the announcement was made. So I repeat, the bill will be taken up under the 5-minute rule on Wednesday next.

Mr. MILLS. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. Mr. Chairman, one of the greatest advances this country ever made in its history was in 1934 when the Congress passed and the President signed the so-called Reciprocal Trade Agreements Act. Since that time the influence of the Congress of the United States has tremendously increased in all areas and portions of the world, since that time we have had greater prosperity in the United States,

since then business has prospered more than ever before and since then we have accomplished and achieved better relationships and more good will throughout the world. That is an important consideration, Mr. Chairman, and if we did go back to what some have suggested, to this sort of behind the iron curtain, where our expanding business would have no markets in other areas of the world where they could sell their products, it would have an effect upon every business in this country; it would have an effect upon the workmen of this country, and it would have an effect all over the world in bringing us down to a lower standard of living.

Mr. Chairman, something has been said about a suggested amendment, an amendment which was sought to be put into effect 2 years ago, which was known popularly as the so-called peril point amendment. This amendment will be offered, I understand, by one of my colleagues on the Republican side of the House. This afternoon I would like to take just a little bit of time to tell the membership of the House, and perhaps the country as a whole, why I think the peril-point suggestion is not a good one.

The fact is that this so-called peril-point proposition would bring into operation of the reciprocal trade-agreements program rigidities which would cripple and hamstring a proper administration of the program. It would be in effect giving notice to the world that the United States does not favor a continuation of a policy of good will and good neighborliness and expanding trade with other nations of the world. The peril point amendment would introduce a number of rigidities into the method of formulating recommendations to the President about proposed tariff concessions.

One of the first rigidities is that in practical effect the extent of the recommendations would be controlled by one agency of the Government. That agency would be the Tariff Commission. At the present time the trade agreement committee is made up of the Secretary of Defense, the Secretary of Commerce, the Tariff Commission, the Agricultural Committee, and others. I think there are about seven different agencies of the Government involved. So when that trade agreements committee meets we have a broad sweeping knowledge brought to the conference table of what effect the trade concession might have, not only the effect on imports, but the effect on our exports.

We cannot in these days, Mr. Chairman, go back to the system that was in effect during the days of President McKinley and build a stone wall around this country and not export anything, and that is exactly what would happen if we repeal this trade-agreement program. What country is going to buy products of our great manufacturers when we do not buy any products from them? What businessmen could go into business and simply sell things and nobody buy anything? That, in effect, is what those who are opposing this program would have us do.

Now, another rigidity in that so-called peril-point amendment is that the Tariff Commission would be required to fix, mind you, accurately and with precision the exact point below which a tariff rate could not be reduced or the exact point a tariff rate would have to be increased in order to prevent the causing or threatening of injury to a so-called domestic industry. I submit, Mr. Chairman, it is simply a practical impossibility for a single agency of this Government to fix a precise and exact point wherein tariffs could not be lowered any further.

Another rigidity is that the Tariff Commission decision on the peril point would have to be made without the benefit of discussion or consultation with other agencies of the Government, some of which agencies, like the Department of Commerce, the Department of Defense, and the Department of Agriculture, really have particular knowledge of the facts. They have the qualifications to make the judgments on the probable effects of a tariff concession on particular products. They have fields of interest where they know very, very many times more than the Tariff Commission could ever hope to find out about various products. So it just would be an impossible factor for a Tariff Commission alone to arrive at.

Another rigidity in this peril-point determination is that it must be made by the Tariff Commission in advance of any consultation, in advance of any negotiation, without the benefit of any facts that may be developed around the conference tables with the different countries. We all know that when negotiations are held we get the benefits of the advice of the experts of other countries, and we get the benefit of the advice of experts in this country, people who have special qualifications to understand the effects of them. As I said before, we have all these various departments that have special knowledge of the facts in their field.

Another rigidity, Mr. Chairman, is this: In cases where the Tariff Commission would fix a so-called peril point, what would actually and practically happen? The Tariff Commission would always fix a point that was extremely safe. They would not want to take a chance and perhaps fix a point that was low, for fear of being criticized, so they would play safe. The result would be, as I think I indicated a few minutes ago, that some of these countries that are selling us some goods would simply become discontented with our trade methods, they would refuse to buy any of our goods, and our export business would decline, with a bad effect on every working man and woman in this country, because you cannot let the economy of a country deteriorate without affecting practically every business in this country.

Another rigidity, Mr. Chairman, is that if the President should go beyond this so-called peril point which was fixed by the Tariff Commission he would be compelled to publish that to the Congress. The result of that would be that the country which had a peril point fixed

to its disadvantage would feel hurt, it would be disappointed. The consultations would become public. The negotiations would be open to all the world. If these negotiations become public, it puts the United States at a disadvantage and you perhaps put other countries at a disadvantage. As we all know, negotiations that are held prior to the making of a contract or an agreement are not permissible in court. Some people say, "We will make these consultations public," but you can see that if the jury knew of all previous negotiations, if it had the benefit of all the negotiations and proposals and counterproposals and propositions that were made, it would not be in a position, perhaps, to render a true and a just verdict. It simply would not work in actual practice. Under the amendment which was in effect, if one peril point was discarded the President would be compelled to publish the entire list of peril points. This would upset our trade balance tremendously. I wish I had before me a list of the business organizations and a list of the outstanding businessmen in this country who feel that this trade-agreements program is really one of the things responsible for the United States being the leader in the world today. It helped that situation to come about. When we started this program in 1934 it helped us out in South America with our good-neighbor policy and it helped in all the European countries, and is still helping today.

I wish you would keep in mind, if you can, that we cannot put a barrier around this country and manufacture a lot of material and sell it to the outside world unless we buy some items from the outside world. That is the stark, naked fact that everybody should have in mind when we come to the final vote on this proposition.

Mr. Chairman, this peril-point proposition was advocated in the first place by those who have always opposed this program in its entirety. It is just one of those suggestions which will hamstring the proper operation of the act. It will be notice to the world that the United States is changing its foreign policy and does not have the intention of spreading good will and spreading our products all over the world.

I sincerely trust that when the vote comes on the so-called peril-point amendment, that the amendment will be defeated and the bill be passed so that our foreign affairs and our foreign relations can continue to make the progress that has been made in the last 17 years.

Mr. CURTIS of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield.

Mr. CURTIS of Nebraska. The gentleman referred to experts who sat down and arranged these tariff duties for the United States. Who are these experts?

Mr. EBERHARTER. The Department of Defense, the Department of Agriculture, the State Department, and the Department of Commerce are represented, and on these committees are persons who are specially qualified to know about these different businesses and to know

what impact a change in the tariff rates would make.

Mr. CURTIS of Nebraska. What committees are you referring to?

Mr. EBERHARTER. To the trade committees.

Mr. CURTIS of Nebraska. I understand you are talking of the group that sits down and meets with the foreign country.

Mr. EBERHARTER. The Trade Agreements Committee, yes.

Mr. CURTIS of Nebraska. Or are you referring to the group that actually negotiates with the foreign country?

Mr. EBERHARTER. Yes, my understanding is that that group is actually meeting right now in Europe to see whether they can obtain any more concessions from their countries so that our businessmen can export more and perhaps in return we will give them a consideration or two.

Mr. CURTIS of Nebraska. I understand that they meet. But what is surprising to me about your statement is that you said they are experts. I wish you would put in the RECORD the name and address of these so-called experts, what they are expert in and something of their history which makes them an expert.

Mr. EBERHARTER. I think I can obtain that detailed information for the gentleman.

Mr. CURTIS of Nebraska. I am referring to those individuals who actually negotiate with the foreign countries.

Mr. EBERHARTER. Does the gentleman mean those who are at this meeting now in Europe?

Mr. CURTIS of Nebraska. I do not care when they meet. If they are experts I would like to have that information, and you qualified them as experts.

Mr. EBERHARTER. That information is as follows:

UNITED STATES DELEGATION TO THIRD SESSION OF THE CONTRACTING PARTIES TO THE GENERAL AGREEMENT ON TARIFFS AND TRADE, AND TARIFF NEGOTIATIONS (ANNEXY, FRANCE, APRIL 8 TO AUGUST 26, 1949)

Chairman: Woodbury Willoughby, Chief, Division of Commercial Policy, Department of State, and Chairman, Interdepartmental Committee on Trade Agreements; Vice Chairman: John W. Evans, Director, Commodities Division, Office of International Trade, Department of Commerce.

Delegates: Philip Arnow, economist, Department of Labor; Prentice N. Dean, Division of International Programs, National Military Establishment; Laurence Harris, Chief, Trade Section, Office of the Special Representative, Economic Cooperation Administration, Paris; Iver Olsen, Assistant Chief, Commercial Policy and United Nations Division, Department of the Treasury; Robert B. Schwenger, Chief, Regional Investigations Branch, Office of Foreign Agricultural Relations, Department of Agriculture.

Advisers: George Bronz, special assistant to the General Counsel, Department of the Treasury; Honore M. Catudal, advised, Division of Commercial Policy, Department of State; Carl E. Christopherson, Foreign Service office, Office of International Trade, Department of Commerce; Floyd E. Davis, acting head, Livestock and Wool Division, Office of Foreign Agricultural Relations, Department of Agriculture; Walter Hollis, assistant to the legal adviser, Department of State; Lionel C. Holm, Executive Assistant to the Administrator, Production and Marketing Admin-

istration, Department of Agriculture; William R. Johnson, Deputy Commissioner of Customs, Bureau of Customs, Department of the Treasury; H. P. MacGowan, adviser on Trade Agreements Policy, Office of International Trade, Department of Commerce; F. A. Motz, Attaché, American Embassy, Paris; Vernon L. Phelps, adviser on European Commercial Affairs, Division of Commercial Policy, Department of State; George B. Rogers, agricultural economic statistician, Bureau of Agricultural Economics, Department of Agriculture; Lt. Col. Lester F. Schockner, United States Army, Civil Affairs Division, Department of the Army.

Tariff negotiating teams:

Denmark and Finland: Prentice N. Dean (head), Division of International Programs, National Military Establishment; Julian Arnold, Jr., Division of Commercial Policy, Department of State; H. P. MacGowan, adviser on trade agreements policy, Office of International Trade, Department of Commerce.

Sweden: Avery F. Peterson (head),¹ counselor, American Embassy, Stockholm; H. Arnold Quirin, Division of Commercial Policy, Department of State; Grant Olson, analyst, Scandinavian Section, Office of International Trade, Department of Commerce.

Italy: Homer S. Fox (head),² counselor, American Embassy, Ottawa; John M. Kennedy, Division of Commercial Policy, Department of State; Carl E. Christopherson, Foreign Service officer, Office of International Trade, Department of Commerce; Howard F. Shepton, analyst, Italian Section, Office of International Trade, Department of Commerce.

Greece and Liberia: Horace H. Smith (head), first secretary, American Embassy, Athens; C. Thayer White, Division of Commercial Policy, Department of State; Samuel Goldberg, Acting Chief, Near East-Africa Section, Office of International Trade, Department of Commerce.

Dominican Republic and Haiti: Daniel M. Braddock (head), first secretary, American Embassy, Madrid; Amelia Hood, Division of Commercial Policy, Department of State; Albert J. Powers, Chief, Caribbean Section, Office of International Trade, Department of Commerce.

Colombia, Uruguay, and Nicaragua: Howard H. Tewksbury (head),³ Chief, Division of River Plate Affairs, Department of State; Elizabeth McGrory, Division of Commercial Policy, Department of State; William F. Gray, Division of Commercial Policy, Department of State; Anthony J. Poirier, tariff and trade agreements specialist, Office of International Trade, Department of Commerce; Frederick R. Mangold, Foreign Service staff, Office of International Trade, Department of Commerce.

Consultants: Ben Dorfman, chief economist, United States Tariff Commission; G. Patrick Henry, economist, United States Tariff Commission; Adolph B. Horn, American Embassy, Habana; Willard W. Kane, commodity specialist, United States Tariff Commission; Hyman Leikind, commodity specialist, United States Tariff Commission; Allyn Loosely, principal economist, United States Tariff Commission; David Lynch, principal economist, United States Tariff Commission; Edwin G. Martin, General Counsel, United States Tariff Commission.

Commodity specialists: Nathan D. Golden, Chief, Motion Picture-Photographic Branch, Office of International Trade, Department of Commerce; Thomas C. Mason, commodity

analyst, Forest Products Branch, Office of International Trade, Department of Commerce; William H. Myer, Assistant Chief, Machinery and Motor Products Branch, Office of International Trade, Department of Commerce; Nathan B. Salant, Chief, Economic Program Section, Textile and Leather Branch, Office of International Trade, Department of Commerce; George A. Sallee, Chief, Dairy, Poultry, and Fish Products Section, Office of International Trade Department of Commerce.

Secretariat: Special Assistant to the Chairman: Arthur C. Nable, Division of International Conferences, Department of State.

Technical: Technical secretary: James H. Lewis, Acting Assistant Chief, Division of Commercial Policy, Department of State.

Trade Agreements Committee staff: Robert W. Shaw, Committee Secretariat Branch, Department of State; George C. Spiegel, Division of Commercial Policy, Department of State; M. Marguerite Dotye, International Trade Economist, Department of Commerce; M. Margaret McCoy, Division of Commercial Policy, Department of State; technical assistant: Dorothy M. Quilty, administrative officer, United States Appraisers Office, Department of the Treasury; statistical assistant: Evelyn F. Brooks, Division of Commercial Policy, Department of State; administrative: administrative secretary, John T. Forbes, Division of International Conferences, Department of State; administrative assistant, Leonard H. Brody, Division of Central Services, Department of State; document assistant, Helen L. Brewster, Office of International Trade Policy, Department of State; security officer, Richard T. Ewing, assistant attaché, American Embassy, Paris; fiscal officer, Robert B. Stitt, Division of Finance, Department of State; fiscal clerk, Mildred C. Trescot, Division of Finance, Department of State; code clerk, William L. Black, Division of Communications and Records, Department of State; George R. Bobby, American Embassy, Copenhagen, Denmark; Robert E. Morrell, American Embassy, London, England; Robert W. Nichols, Division of Communications and Records, Department of State.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield.

Mr. STEFAN. As I understand, this committee on reciprocal trade is made up of interdepartmental experts.

Mr. EBERHARTER. That is right.

Mr. STEFAN. The question I want to ask is when do the businessmen appear before the interdepartmental committee to state their case—after the London meeting or is it before they go to London?

Mr. EBERHARTER. A list is published of the various items on which the United States might be willing to negotiate. That list is published. Then any interested business can appear before a committee and present its case in the best light possible, to show whether or not any harm would be done to that particular industry in case a concession is made.

Mr. STEFAN. That is what I am interested in.

Mr. EBERHARTER. That is before they meet with the other nations.

Mr. STEFAN. I am very glad to know that. I know there are two meetings. There is a meeting in some foreign country, either France or England, and there is also a meeting down in the department where the businessmen of the country are called in to state their case to the interdepartmental committee. Has that interdepartmental committee

¹ During the latter part of the negotiations, after Mr. Peterson's departure, H. Arnold Quirin was head.

² During the latter part of the negotiations, after Mr. Fox's departure, Iver C. Olsen was head.

³ During the latter part of the negotiations, after Mr. Tewksbury's departure, Philip Arnow was head.

met with the businessmen and held that meeting?

Mr. EBERHARTER. The list is published about 4 months before the actual meeting in the foreign country, and in that 120 days businessmen can appear before the committee here in the United States, present the facts concerning their particular industry or their particular product.

Mr. STEFAN. Has that meeting already been held in the United States?

Mr. EBERHARTER. Yes, sir.

Mr. STEFAN. And therefore the businessmen of the United States have been put on notice that the Reciprocal Trade Agreement Act is going to be extended for 3 years?

Mr. EBERHARTER. Yes.

Mr. STEFAN. And they appeared before the interdepartmental committee and stated the various problems they are up against or have been during the past 2 or 3 years, and the businessmen have made their case before the committee, and then the interdepartmental committee and their experts have gone to Europe to see what trades they can make in the foreign country? Is that the mechanics of it?

Mr. EBERHARTER. That is the mechanics of it.

Mr. STEFAN. So that the businessmen of the United States have already had their day in court?

Mr. EBERHARTER. Oh, yes. That is set out rather completely and in detail in the hearings.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. EBERHARTER] has again expired.

(Mr. EBERHARTER asked and was given permission to revise and extend his remarks.)

(Mr. PATTERSON asked and was given permission to revise and extend his remarks at this point in the Record.)

Mr. PATTERSON. Mr. Chairman, the issue before Congress at this time is not what it is labeled; it is not reciprocal trade which concerns us, but a further lowering of protection for American workers and American industries.

The title of the legislation is a sham. There has been no reciprocity in this ill-advised program. As is customary in all our dealings with other nations—we give and they take. Higher trade barriers are being erected by other countries while we lower ours. They disguise their trade restraints as import quotas and licensing agreements. We make concessions and other nations make it more difficult for us to trade with them.

The Trade Agreements Act is a sell-out by the Democrat Party to big business and the free traders of the South. The workingman and the small-business man are pushed aside—and their interests are forgotten. Let us remember that the worker and the small-business man paid the bulk of the taxes to finance ECA and other relief programs. These programs rebuilt the industrial capacity of foreign nations who are now privileged to compete in both domestic and world markets with cheap or slave labor. We are asked to compete against our own tax money, and to grant favored treatment to our competitors.

Czechoslovak rubber footwear—hats and pottery produced by slave labor are sold in America more reasonably than they can be produced here. Russian furs and Red Chinese dried eggs find ready markets in the United States because they are cheaper than the domestic variety. English and German steel and cutlery manufacturers can undersell the American producer.

Many big business firms support this trade program as they export much of their production. The small firm confined to the American market suffers because its plight goes unheeded.

Proponents argue that we must import to survive. This simply is not true, as we now import more than we export. In both August and October of 1950 imports exceeded exports substantially. This happened even while tremendous shipments were being made under Government sponsorship in connection with ECA, Army civilian supply, and mutual defense assistance programs.

I have in the past fought for "peril point" and "escape clause" amendments feeling that with them the trade program might be workable. Sufficient evidence has now been gathered to demonstrate clearly that even with these amendments the trade program will not benefit the citizens of the United States.

The Fair Deal administration has no intention of safeguarding the working people of this country, and I shall not support this ill-conceived program.

Many of our economic ills can be traced to this program. Expansion of industrial capacity for this Nation's growth has been stymied because of it. The sole beneficiaries are the monopolies and cartels abroad. I am not in Congress to acquiesce in the liquidation of American industrial life—but to assist in preserving jobs for the people of this Nation. Let others concern themselves with subsidies for foreign industries—I want the American worker to have a square deal first.

Mr. CURTIS of Nebraska. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. SIMPSON].

Mr. SIMPSON of Pennsylvania. Mr. Chairman, we have been told this afternoon of the great prosperity which exists in this country. It has been stated that the reciprocal-trade-agreements program plays a substantial part in the measure of prosperity which some may enjoy. We all know that the prosperity, factual or fancied as it may be, which we have today rests upon the blood of American youth who have died and are dying overseas, and on the expenditures for further war, and on the expenditures to repair the damage brought on as the result of war. So long as this type of expenditure continues we will have the false prosperity we have today.

If the Democratic Party favors this type of prosperity and expects the country to engage in wars periodically, and will agree to keep this country continuously preparing for war, and will agree to continue repairing the damages of future wars, we will continue to have the same kind of prosperity we have today. Prosperity through war and inflation has wiped out the real value of the

savings of the American people. No, Mr. Chairman. This reciprocal-trade-agreement policy, sold to the American people by the internationalists as a solution to international discord, has today turned about and is one of the causes of why we are not properly prepared today.

The trade-agreement program has failed utterly to wipe out the restrictions and the limitations imposed by foreign countries upon free trade which appears to be the goal of the internationalists in our State Department today and the announced purpose of the trade program. Today, 17 years after this law began to operate, there are more limitations, more restrictions upon the free interchange of manufactured goods and agricultural products between nations than there were 17 years ago. This program has failed. Its failure is proved by the fact that when expenditures for war and associated purposes decreased, the effect of imports was immediately noted, and severely damaged certain of our important industries. Only about 1 year ago our unemployment amounted to almost 5,000,000, and loud cries were made to curtail imports. Labor was greatly concerned, and dozens of labor organizations, at that time and at the present time, oppose the administration and extension of this act. Representatives of these men who lost jobs prior to the resumption of war preparations came before our committee last week pleading for relief from this insidious policy under the Trade Agreements Act. They ask that the Congress of the United States do something to assure their industries, wherein skill is the first requisite, be preserved.

I said earlier that the trade-agreements policy has brought us to a point where our defenses are inadequate. In one of those areas real suffering prevails. In Korea today, because of our trade-agreement policies, young men are freezing in subzero temperatures; their legs and arms have had to be amputated because of the shortage of proper clothing; because wool was not available to them in the form in which it could be used to keep men warm, and because the great wool industry, in which millions upon millions of the sheep which provided that wool, has been liquidated under the trade-agreement policies. Today more than two-thirds of the wool we need comes from abroad. Today the flocks of sheep from which we formerly got our wool are at the lowest point in all history; and those trade agreements cutting down the price of wool below a level at which the sheep could be profitably grown here. This is the result of the negotiations of our Department of State, headed by Mr. Dean Acheson, who has been wrong before with respect to the question of war, and who I submit is wrong again. After our killing this industry here, the foreigners on whom we depend have raised the price of wool to its highest price in history.

Consider other industries—and these about which I am going to speak employ only a few hundred thousand men, if that many—but consider their strategic importance today as we prepare for war. Without the production of these indus-

tries we must import vital war materials from overseas. Consider the watch and clock industry, and remember that in time of war skilled specialists manufacture the timepieces without which no airplane can fly, without which guns cannot properly be fired, producing thousands of units which are used for the detonation of certain of our shells, and so on; and realize that that industry has been traded down the river to such a degree that one-quarter of the industry has been eliminated within the past year or two. Today we need skilled men capable of manufacturing an important type of mechanism that is delicate and very much needed. The craftsmen of this dying industry are the men to do it. I realize it is true that our remaining companies manufacturing watches show a profit in their dollar profit-and-loss account, but the industry has not expanded at all; on the contrary it has been reduced by 25 percent, and today we have to turn abroad and risk the hazards of overseas transportation in order to secure watches and the various time mechanisms we need. Right there the trade-agreement program is hurting us seriously in connection with this question of preparation for war.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman from New York.

Mr. EDWIN ARTHUR HALL. As the gentleman knows, I come from a district in which 20,000 people are engaged in the manufacture of shoes. About 6 months ago the State Department came forward with an idea that proposed the scrapping of what is known as the American selling price and substituting in its place a foreign selling price, thereby enabling Japanese shoes to be shipped in for about 35 cents a pair in competition with shoes which the people in my district could only produce at 95 cents a pair. This is also true as applied to countries behind the iron curtain.

May I ask the gentleman if there is any disposition in this bill to scrap the American selling price in favor of another system which would enable Japanese shoes and shoes made behind the iron curtain to be shipped in here in competition with the people who work in my district?

Mr. SIMPSON of Pennsylvania. I know of nothing that would make the change to which the gentleman refers. I do know, however, the practice is to permit the Japanese, at their hourly average wage of perhaps 20 to 25 cents, to ship into this country all kinds of any goods they care to ship in competition with American produced articles. That is the policy.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. HOFFMAN of Michigan. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Mr. HOFFMAN of Michigan. Mr. Chairman, I withhold the point of order until the gentleman has concluded his statement.

Mr. REED of New York. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I referred to two items on the critical list, both of which have been and are adversely affecting our war effort, one being timepieces and the other being wool.

Another one is the great chemical industry. Gentlemen appeared before our committee and testified that if cuts are made in the items now before the negotiators abroad the expansion of the chemical industry here in our country, so vital for the further conduct of the war, will be curtailed. That industry will be hurt to such an extent we will be dependent upon imports for essentials in the manufacture of our own munitions, clothing for our soldiers, and many other items important in the conduct of war. That industry is so alarmed that in response to direct questions it was stated they could not get capital with which to expand their industry from private individuals in order to increase production they know will be necessary in time of war. They will have to turn to the Government for money, turn to the taxpayers, to build and to expand that industry, instead of depending on the American way of doing it through the free-enterprise system.

A trade agreement today is threatening that industry with substantial extinction because they can and do produce those chemicals in Germany and other countries just as well as they do here. The great German chemical industry is revived by ERP funds and is taking over the American market.

I come now to a fourth critical industry for war purposes. The representatives of that industry, the industry composed of companies that manufacture binoculars, microscopes, range finders, and many other precision optical items in time of war told us that since the threat of war the industry has been asked to expand 40 times in order to make sufficient of these items. They do not have the trained men to so expand.

The trade agreements as administered in the past several years have so cut the tariff protecting this vital industry that in the past year 68,000 binoculars were brought in from Japan, many thousands from Germany, and other thousands from other countries. These could have been made here. It is a sad commentary that our Government purchased thousands of dollars worth of these products made in Italy and elsewhere overseas by cheap labor. This has the effect of cutting down planned expansion of the industries in question, of creating again the hazardous circumstances wherein we in this country are again dependent upon imports for the necessities to conduct our war, imports which our skilled men here can make better than they can be made abroad if given a chance.

I charge that, with respect to our four great industries, producers of timepieces, producers of chemicals, growers of wool, and producers of optical glass items, the trade-agreements program is directly responsible for the shortages of these products so vital in the conduct of war. We

are in a dangerous situation and are forced to depend on imports now and, at great expense and inefficiency, to expand these industries. The negotiating boys from the State Department, untried in the business and military world, acting under congressional powers delegated to the President, evidencing a complete lack of realism to the welfare of our country, are responsible for the critical position of the country due to a shortage of these items. Congress should never have delegated this authority to the President which he, in turn, entrusts to Mr. Acheson. The risk to our country is too great, and Congress should recall this delegation immediately by defeating the bill now before us.

Should an enemy to our country seek effectively to damage us and seek to make us impotent in time of war, he would do it by striking us in the critical materials area. There have been men in our Government service concerned with the making of the trade agreements to whom the welfare of the United States did not come first. One of those instrumental in making these agreements, representing our Department of State, was Alger Hiss. Is it not significant that among all the complainants of the ill effect of the trade-agreements negotiations these four critical industries are the most outstanding and have suffered the greatest injury proportionately?

This is too dangerous a power to rest with the Executive and to be delegated by him to others.

Mr. HAND. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman from New Jersey.

Mr. HAND. I would just like to suggest, Mr. Chairman, to my distinguished friend, that while he is talking about the optical glass industry, he might well talk about the entire glass industry in this country, which has a total value of approximately \$250,000,000, which is highly strategic and highly necessary to the war effort, because, among other things, the manufacturers of ampules for the retention of medicine and antibiotics and the entire glass industry of this country, 9,000 workers of which are employed in my congressional district, have been and continue to be threatened by these reciprocal trade acts which are improperly administered by representatives of the State Department.

Mr. SIMPSON of Pennsylvania. I am sure the gentleman is correct, and I thank him for his contribution.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. The gentleman has made a very instructive statement and has shown how this program is interfering with American production. Now, am I correct in assuming that under point 4 as urged by the President we would be furnishing the dollars to instruct these people abroad to improve their methods of production, and that the competition will become greater yet than the gentleman has mentioned?

Mr. SIMPSON of Pennsylvania. Oh, yes, and after they build their plants with our dollars they impose embargoes

so that we can no longer ship into their country, while we have reduced our tariffs to permit them free access to our markets.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman from New York.

Mr. REED of New York. I want to utter the fact that Poland, behind the iron curtain, is shipping in glass, paint and processed meats so low in the cost of production that our people do not have a chance, no matter how much they improve their technology.

Mr. SIMPSON of Pennsylvania. I thank the gentleman.

Mr. HAND. Mr. Chairman, as I said, it is not only the optical glass industry, but the entire glass industry of this country which either has, or will, be adversely affected by the policies of our State Department, carried on under the authority of law which is now sought to be extended.

I have repeatedly argued this question before, and there is little use in presently laboring the point. It is no exaggeration to say that the present attitude of the State Department is to let American businesses die, if they cannot compete with low wage scales abroad, while at the same time we pour millions into those same foreign industries to enable them successfully to compete.

I would like to call to the attention of the committee the excellent review of this whole subject, published by Mr. O. R. Strackbein, Chairman of the National Labor-Management Council of Foreign Trade Policy. It is worthy of the attention of all Members before we consider this bill again next week.

At that time I hope I will have a further opportunity to discuss this subject, and particularly my bill which is designed to restore at least some measure of congressional authority with respect to tariff problems.

In its present unrestricted form, this bill should be defeated.

Mr. HOFFMAN of Michigan. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] A quorum is not present.

The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 10]

Abbutt	Coudert	Herter
Addonizio	Cox	Hill
Allen, Ill.	DeGraffenried	Hinshaw
Anderson, Calif.	Denny	Hollifield
Angell	Dingell	Jenkinson
Barrett	Doyle	Kee
Bates, Mass.	Eaton	Kennedy
Bennett, Mich.	Fallon	Kersten, Wis.
Berry	Feighan	Kluczynski
Boykin	Forand	Lane
Breen	Fugate	Lucas
Brehm	Fulton	McGrath
Bryson	Furcolo	Magee
Buckley	Garmatz	Miller, Calif.
Budge	Gathings	Miller, Nebr.
Burnside	Gillette	Mitchell
Burton	Gordon	Morrison
Busbey	Gossett	Moulder
Celler	Granahan	Murphy
Chelf	Hall	Murray, Wis.
Chlperfield	Leonard W.	Nelson
Cooley	Heffernan	O'Konski
Corbett	Heller	O'Neill

Patten
Philbin
Poage
Powell
Prouty
Ramsay
Redden
Ribicoff
Rodino
Rogers, Tex.
Rooney

Sabath
Scott,
Hardle
Shafer
Shelley
Short
Smith, Va.
Spence
Springer
Staggers
Stanley

Stockman
Taylor
Thompson,
Tex.
Velde
Vinson
Whitaker
Willis
Wolcott
Woodruff

Accordingly the Committee rose; and the Speaker pro tempore (Mr. DEMPSEY) having assumed the chair, Mr. WALTER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 1612, and finding itself without a quorum, he had directed the roll to be called, when 330 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. MILLS. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia [Mr. CAMP].

Mr. CAMP. Mr. Chairman, much has been said in this debate regarding the method of negotiating trade agreements with foreign countries. This principle is not new, and in fact the trade-agreements policy or program has been endorsed by some of the greatest leaders and experts on this subject. President McKinley advocated trade agreements. President Theodore Roosevelt was an outstanding advocate of reciprocal trade agreements. It has come on down to us through several decades of thoughtful men who were experts on foreign trade. This method of negotiating a trade agreement has been worked out and is a scientific one.

In making decisions under the Trade Agreements Act, the President is required by law to consult the Departments of Agriculture, Commerce, Defense, State, and the Tariff Commission. In practice, he gets a broader range of advice, for he has, by Executive order, set up the Trade Agreements Committee, which includes not only the agencies that he is required by law to consult, but also representatives of the Departments of Labor, Interior, the Treasury, and the Economic Cooperation Administration. From time to time other departments and agencies are consulted when problems of particular interest to them arise.

The first thing done in preparing for negotiations with a particular country is for the Trade Agreements Committee to appoint a country committee composed of officers of the different agencies which have members on the Trade Agreements Committee. These officers are selected because they are experts on our trade with that country. This committee then carefully studies the statistics of this trade and eventually picks out for possible tariff negotiation the products which we import from that country and for which that country is the principal supplier. The committee also chooses those items which that country imports and for which we are the chief supplier. The decisions of this committee are then presented to the Trade Agreements Committee, which

sends the list of products to the President for approval.

When the President has approved the list, it is published and a date is set for public hearings to obtain the views of all interested persons and groups as to whether concessions on any of the items should be made. These hearings are held before the Committee for Reciprocity Information, which is composed of the same agencies and the same individuals as the Trade Agreements Committee.

I have had occasion twice since I have been a Member of this body to go with constituents of mine before this Committee for Reciprocity Information. On one occasion we had a product from our district which is only produced in our district. As a matter of fact, I think more than 75 percent of that product that is used in the United States is produced in my district. That product was in the list to be used in negotiating a treaty with Italy and with Spain. Both Italy and Spain produce this same product. I found that the members of the committee were most interested when I made that statement to them, and asked many questions, and went very carefully and very thoroughly into the cost of that product in my district, and what it meant to my district economically. I am very glad to tell you that when the trade agreement was made they did not disturb the tariff on that product.

The Tariff Commission member acts as chairman of the Committee for Reciprocity Information.

Right there I want to make another statement. If this peril-point consideration is adopted, the Tariff Commission member will not be sitting there, and the group that negotiates the treaty will have lost the benefit of his intricate knowledge of our tariff. The tariff consists, as you know, of hundreds and hundreds of items, and those gentlemen are experts who study the meaning of the tariff as it applies to the economics of these different items.

As I say, the Tariff Commission member acts as chairman of the Committee for Reciprocity Information. After the hearings are concluded, the information received, both orally and in the form of briefs submitted, as well as the information in Government files with respect to each product, is studied by the country committee. The committee makes a recommendation as to whether a concession would be justified. These recommendations are presented to the Trade Agreements Committee, which reviews them item by item and approves, modifies, or rejects them. The Trade Agreements Committee is very reluctant to recommend a concession which any one of its members feels strongly would be likely to result in serious injury. If any member of the Trade Agreements Committee, including the Tariff Commission member, disagrees with the majority decision, he is required to report his dissent, together with the reasons for the dissent, to the President. Consequently, the President actually does obtain, in effect, a peril-point finding in cases where there are serious misgivings in the mind of the Tariff Com-

mission member of the committee or any other member as to the effect of a particular concession.

This system has worked well for 16 years. As I have shown, great care is exercised during every step of the preparations. The final recommendations represent the best judgment of qualified experts in all the branches of the Government which have anything to do with trade agreements. No one agency dominates the proceedings. In every case every member of the Trade Agreements Committee has the duty and is, in fact, required, if he disagrees with the majority view, to file his minority opinion.

If, in spite of all the care which is taken, unforeseen circumstances arise which result in increased imports of an item upon which a concession has been granted, there is the remedy of the escape clause, with which you all are familiar. Action under the escape clause permits us to modify or withdraw entirely any concession previously granted. Such an action recently took place in connection with women's fur-felt hats. This escape clause is administered solely and entirely by the Tariff Commission. Here again, then, the Tariff Commission is in a position to act to prevent injury to a domestic industry.

Under the present system, the Trade Agreements Committee is not required by law to give a guaranty such as the peril-point theory would require of the President in good conscience to give him its best collective judgment. And that judgment, as given in the past, has almost without exception proved to be right.

SAFEGUARDS EMPLOYED UNDER THE TRADE-AGREEMENTS PROGRAM TO PREVENT INJURY TO UNITED STATES INDUSTRIES

Measures to assure that no United States industry will suffer serious injury or threat of serious injury through a United States concession in a trade agreement are provided for: First, in the procedure followed before a trade agreement is negotiated; second, in the individual concessions themselves; and third, in the general provisions of the agreement which apply after the agreement becomes effective.

SAFEGUARDING PROCEDURES EMPLOYED BEFORE AGREEMENT IS NEGOTIATED

Before any concession is even offered by the United States in a trade-agreement negotiation, the following procedures are required either by the Trade Agreements Act itself, or by Executive order of the President.

First. The Tariff Commission, a bipartisan, expert body responsible to the Congress, makes a thorough study of the possible effects of a concession, including competitive factors, with regard to each item on which a concession is being considered.

Second. A list of all items on which concessions may be considered is made public.

Third. Public hearings are held at which any interested person has opportunity to present his views, both in writing and orally, on whether any concession should be offered.

Fourth. Opportunity is given for informal consultation with interested persons or groups.

Fifth. Facts and opinions developed through the Tariff Commission studies, the hearings, and any other available means are closely examined by the Interdepartmental Committee on Trade Agreements, which includes a member of the Tariff Commission, a representative of the Administrator of the Economic Cooperation Administration, and representatives of the Departments of State, Agriculture, Commerce, Treasury, Labor, Defense, and the Interior. This committee was established by Executive order.

Sixth. After considering all available information on each item, the Trade Agreements Committee decides what recommendations it will make to the President as to concessions which might be offered in negotiations. More than 99 percent of these recommendations have been unanimous. If any agency disagrees with the majority recommendations, that agency submits its dissent, in writing, with its reasons, to the President along with the majority recommendation.

Seventh. After examining all available information regarding a given item included a published list, the Trade Agreements Committee may decide not to recommend any concession whatever on that item.

Eighth. The concessions which the President approves form the basis of United States offers in the actual negotiations. No United States concessions are actually made unless adequate concessions from foreign countries are obtained in return.

Ninth. Concessions granted and obtained in the negotiations must be approved by the President before they can be put into effect.

SAFEGUARDS "BUILT INTO" INDIVIDUAL CONCESSIONS

In recommending concessions the Trade Agreements Committee tailors each one to fit the situation of the product concerned and of any domestic industry with whose product the imported article might compete.

First. On certain items the concession may be only the binding of the existing duty rate or existing duty-free status. "Binding" means agreement not to increase the existing tariff on a dutiable item or to impose a duty on a duty-free item. It involves no change in the tariff treatment of the item.

Second. On certain other items the recommendation may be to reduce the duty only 10 percent or 20 percent instead of the full 50 percent which would be possible under the President's authority.

Third. The duty may be reduced on only a specified quantity of imports of the product in question. On any imports over this "tariff quota" the original rate remains in effect. Sometimes a concession provides that only certain quantities of the tariff-quota product shall be admitted at the low rate of duty per month or quarter. This prevents the market from being flooded by large imports under the quota at any one time.

Fourth. The duty may be reduced on only specified types, grades, or value classes of the product in question, the rates on other classifications remaining unchanged. On cotton textiles, for ex-

ample, the United States has reduced tariffs on high-quality goods which are normally imported from Western Europe, but not on goods of lower quality produced in Japan.

Fifth. In some cases, such as that of fresh vegetables, a reduced duty may apply only during a specified season when domestic products with which they might compete are not being marketed—a seasonal quota.

SAFEGUARDS EMPLOYED AFTER TRADE AGREEMENT IS IN EFFECT

Ever since the Trade Agreements Act was proposed and all through the administration of the trade agreements program, there have been industries which have claimed that they would be injured by the program. There is clear evidence, both in the hearings that precede negotiations and in the congressional hearings in connection with renewal of the Trade Agreements Act, that in very few cases have the fears of injury been justified. However, there are adequate means for preventing or remedying any such injury if it occurs after the agreement has gone into effect.

THE STANDARD ESCAPE CLAUSE

All the trade agreements which have been signed since 1943, including the General Agreement on Tariffs and Trade, have included an escape clause under which any party to the agreement may modify or withdraw an individual concession if it is found that, as a result of unforeseen circumstances and of the concession, imports of the item in question are occurring in such increased quantity and in such circumstances as to cause or threaten serious injury to a domestic industry. Under this clause the concession may be either partly or wholly withdrawn, a quota imposed on imports, or a rate of duty even higher than that in effect before the concession may be put into effect.

By joint agreement a substantially identical clause was included on October 13, 1950, in the trade agreement between the United States and Switzerland, concluded in 1936.

For the United States, the escape clause action is administered by the Tariff Commission, which makes its recommendation to the President, directly and without participation of any other Government agency.

An industry claiming injury or threat of injury resulting from a trade-agreement concession applies to the Tariff Commission for an investigation and public hearing. If, in the Commission's opinion, a preliminary examination reveals facts warranting a formal investigation, the Commission conducts one and recommends to the President the action, if any, which should be taken.

Although the United States has made concessions on several thousand items in trade agreements that contain the escape clause, only 20 applications for investigations, covering 17 products, have been filed with the Tariff Commission. Five of these are still pending. Of the 15 which have been disposed of, only one—involving women's fur felt hats and hat bodies—was found by the Tariff Commission to justify action. In that case the Tariff Commission recommended with-

drawal of the concession and this was done.

The careful application of the safeguards observed before concessions are made and the way concessions are tailored to particular needs are primarily responsible for the fact that need for using the escape clause has been minimized.

REMEDIES OTHER THAN STANDARD ESCAPE CLAUSE

Several trade agreements concluded by the United States before the general agreement contained clauses under which a concession could be modified or withdrawn if it was found that its major benefits were going to some country other than the one to which the concession had been granted, and if serious injury to a domestic industry was occurring or threatened.

The 1936 trade agreement with Switzerland, containing this clause, included a United States concession on certain types of embroidered handkerchiefs. In 1940 it was found that large numbers of such handkerchiefs were being imported from another country and were threatening injury to a domestic industry. The concession was withdrawn.

The 1939 agreement with Canada included a United States concession on linen fire hose. In 1947 it was found that such hose was being imported in large quantities from another country and the domestic industry was being threatened. That concession, too, was withdrawn.

The 1939 agreement with Canada included a United States concession on live black and silver foxes and on fox furs. On the outbreak of World War II several large European markets for furs were closed, and there were considerable increases in shipments of furs to the United States. A supplementary agreement, limiting the number of furs to be admitted to the United States, was negotiated.

In the General Agreement on Tariffs and Trade the United States granted to Canada a reduced-duty quota on potatoes and agreed to increase the quota if United States potato production should fall below 350,000,000 bushels per year. In 1950 the United States sought and obtained from Canada, with the approval of the other contracting parties to the general agreement, a waiver under which the United States is not obligated to increase the Canadian potato quota unless United States production should fall below 335,000,000 bushels.

(Mr. CAMP asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. REED of New York. Mr. Chairman, I yield such time as he may desire to the gentleman from Connecticut [Mr. SEELY-BROWN].

(Mr. SEELY-BROWN asked and was given permission to revise and extend his remarks.)

Mr. SEELY-BROWN. Mr. Chairman, on June 23—a scant few days before President Truman ordered our troops into Korea—I was nominated as the Republican candidate for Representative from the Second District of Connecticut.

In accepting that high honor, I said:

Unemployment—in the city, on the farm, and all the evils that unemployment breeds under its dark shadow—is our most serious domestic problem here in eastern Connecticut. Our every effort must be directed toward the proper solution of this problem. If elected, I shall analyze the issues as they are debated in the Congress with this thought always in mind: Are we helping to provide a job for the man who wants to work? Are we helping to provide job security for the man who is working?

The present abuse of the existing reciprocal trade agreements has resulted in the flooding of the American market with goods made by slave labor behind the iron curtain. This abuse of a principle, which, in its proper form I support, is directly responsible for the shutting down of many of our mills in eastern Connecticut. This abuse must be corrected if we are to provide proper employment for our people.

With this pledge to my people in mind, I rise to discuss the issue before us today. Certainly the times are different now than they were last June. Mothers instead of watching the papers for announcements as to how many days' work would be available for their men or for themselves at the mill, now watch for the latest draft call, and for the latest casualty list.

Certainly now is the time, not only to provide for the lives of our people but also to provide for the livelihood of our people in the days to come.

To do this—to provide for better livelihood for our people—I believe that the present reciprocal trade agreements must be improved. They must be improved in at least three respects.

First, I believe that the peril-point-report provisions as established by the Trade Agreements Extension Act of 1948 should be reenacted.

These provisions originally were adopted in order to do certain things:

1. To furnish competent and expert nonpartisan information for the guidance of the State Department as it determined our foreign-trade program.
2. To safeguard the economic health of industries essential to the national defense.
3. To prevent serious cut-backs in jobs for our workers.

Under the terms of these provisions, the Tariff Commission was required to specify certain points below which, in the judgment of the Commission, it would be perilous to go in making further tariff cuts.

This procedure in no way interfered with the President's authority as delegated to him by Congress to make future trade agreements. This procedure imposed no obligation on the State Department to adhere to the Commission's finding.

I believe that the President should be required to advise the Congress and the people of those items on which tariff cuts have been made if the cuts go below the point the Tariff Commission found would result in serious injury to our domestic workers. The President should be required to tell us exactly why he believed it advisable to go beyond these points.

Second, I believe that the President should be directed to prevent the reduction of tariffs or other trade concessions made in trade agreements with the free

nations to imports from Soviet Russia, Communist China, and any Communist satellite country.

I have said before on the floor of the House that I regret that while all the partners in the Atlantic Pact are supposedly uniting to build up defenses against Soviet aggression, some are still supplying the Communist empire with critical and strategic war materials.

In this same vein, I cannot for the life of me see why we should allow our American soldiers to fight and die fighting the Communists in one part of the world while many of the Communist countries enjoy the benefits of our trade concessions made to the world without making a single concession in return.

It is reported that—and I quote:

In the case of Russia, approximately 88 percent of its dutiable imports into the United States from that country in 1949 benefited from reduced rates provided in trade agreements with other countries and 92 percent of the tax-free imports from Russia consisted of products bound on the free list in trade agreements with other countries.

We cannot, we must not, tolerate a condition of our own creation which results in our fighting the Communists in Korea on the one hand and encouraging on the other hand imports from Communist countries which compete with the products of our own domestic labor. The least we can do is to insist that imports from behind the iron curtain pay a full rate of duty. We are asking our boys in Korea to pay their full share of duty, are we not?

Third, Certain standards should be established by the Congress to guide the President in providing relief under a so-called escape clause.

In 1934, the Congress delegated to the President the authority to enter into trade agreements with other nations. At this time, no provision was made for escape from serious economic injury to our own domestic industries. Since 1943, however, practically all trade agreements contain a so-called escape clause.

As has been stated here on the floor before, by others, the peril-point report helps prevent anyone setting the barn on fire; the escape clause provides some hope for those inside the burning barn to get out and survive.

As we face the difficult days that lie ahead, I hope that our friends will like us, not just for our money, but more importantly, for the principles in which we believe.

I believe in and shall support the principle of the reciprocal trade agreements. I recognize that since this principle was first adopted by the American people we have had very little opportunity to study its workings under any peacetime economy. I can support this measure with much better conscience if the suggested amendments I have listed above are adopted. If these amendments are defeated, I hope that those in charge of our foreign-trade program will carefully consider why these amendments were offered.

Certainly this is the time for a clear statement of fact and principle.

Mr. REED of New York. Mr. Chairman, I yield such time as he may desire

to the gentleman from New Jersey [Mr. WOLVERTON].

(Mr. WOLVERTON asked and was given permission to revise and extend his remarks.)

Mr. WOLVERTON. Mr. Chairman, the purpose of the bill, H. R. 1612, now before the House, is to extend the authority of the President to enter into foreign trade agreements, under section 350 of the Tariff Act of 1930, for an additional 3 years from June 12, 1951.

Trade agreements resulting from negotiations of the past 16 years are now in effect with 45 foreign countries. The purpose of the law as it was originally presented to Congress for enactment was to encourage trade between our country and the other countries of the world. This basic principle was praiseworthy. However, the administration of the law by the State Department has been in many respects very unsatisfactory. There have been too many instances under the agreements entered into, where industries of this country have had to meet the competition of products manufactured or produced by underpaid labor in foreign countries. This has resulted in hardship for the affected industries and the workmen of our own country. We cannot maintain our standard of living and successfully compete with foreign products that result from the low-scale wages prevalent in foreign countries. In all our efforts to assist foreign countries we should be realistic and consider the effect on our own workmen and their standard of living. To do otherwise is to improve conditions abroad at the expense of the standards prevailing in this country. The fact that the officials of the State Department charged with the administration of the law, have not always recognized this fact is in my opinion a just cause of complaint.

Severe criticism has also been directed to the administration of the law for failure to permit interested parties, including representatives of workers in affected industries from having full opportunity to appear and argue their case before determination is made. Under the procedures followed interested parties are kept in the dark. They do not know what is claimed by their foreign competitor, or, in some instances do not know what articles are being considered by the State Department. This procedure, with respect to American manufacturers and workers, is not applied by foreign countries to their nationals. According to my information all interested parties in other countries are given full and free opportunity by the officials in their respective countries to be heard. They are given every consideration before any determination is made or treaty entered into. The attitude of foreign countries toward their nationals is not only reasonable but right and just. There should be similar consideration given to our citizens by our officials in our State Department. Right and justice should prevail in this country's administrations of the law at least equal to that which is observed in foreign countries.

Another feature that has never seemed justified to me is the application that is made of the so-called most-favored-nation clause of the reciprocal trade agreements. Under this clause whatever reduction we make in our tariff rates with respect to any nation with whom we enter into an agreement immediately becomes available to every other nation regardless of whether or not that nation has made any concession to us. It seems to me that this sets at naught the whole purpose of reciprocal agreements. The fundamental purpose of such agreements is to give some concession to us in return for concessions we give to other nations. When nations who have made no concessions to us can obtain the same benefits as other nations who have made concessions, there can be no justification from the standpoint of reciprocity. It destroys the very basis of reciprocity. Such nations get benefits without giving benefits.

Nowhere is the injustice of this principle more apparent than in its application to Soviet Russia, Communist China, and the iron-curtain countries.

The minority report filed by the Republican members of the Ways and Means Committee clearly and forcibly emphasizes this fact in the following language:

As the result of the most-favored-nation principle, reductions in duty and other concessions made by the United States with all countries under the trade-agreement program are automatically extended to Russia, Communist China, and all other Communist-dominated countries. We now have trade agreements with approximately 45 free countries covering literally thousands of imported items, and the benefits of all these concessions contained in these agreements are now benefiting Russia, Communist China, and their satellite iron-curtain countries.

In the case of Russia, for example, approximately 83 percent of its dutiable imports into the United States benefit from reduced rates provided in trade agreements by us with free countries, and 92 percent of the tax-free imports from Russia consists of products bound on the free list in trade agreements by us with free countries.

In the case of Communist China, 72 percent of the dutiable imports into the United States from that country benefit from trade-agreement concessions granted by us to free countries, and 75 percent of the duty-free imports of that country benefit from our concessions to the free nations.

Briefly summarized, similar figures for other iron-curtain countries are as follows: Poland, 80 percent of the dutiable imports and 79 percent of the free imports.

Hungary, 73 percent of the dutiable imports and 69 percent of the free imports.

Bulgaria, 97 percent of the dutiable imports and 30 percent of the free imports.

Manchuria, 99.8 percent of the dutiable imports and 98 percent of the free imports.

Rumania, 96 percent of the dutiable imports and 84 percent of the free imports.

It is outrageous that our American soldiers should be fighting the Communists in Korea while at the same time all the Communist countries are enjoying the benefits of concessions made by the United States to the free world without—except in the case of Czechoslovakia—having given the United

States a single concession in return. I believe that this preposterous inconsistency in our foreign policy should be removed at once by the denying to Russia and Communist China, and to any Communist satellite country—including North Korea—which the President finds is part of a conspiracy against the free world, the benefit of the reduced rates which we have granted to the free world.

In addition to what I have already mentioned as defects in the administration of the law, there are other conditions that should be rectified.

One of the most important of these is to prevent serious injury or the threat of it to our workers, farmers, and productive enterprises resulting from unwise tariff cuts and concessions by the administrators of this law. This is often referred to as the peril point. I am in favor of an amendment to the law that will require the Tariff Commission to study all contemplated cuts in tariff rates to foreign countries and ascertain what cuts would in its opinion go below the peril point and thereby endanger the affected industry in our own country and its workers. Reports would be made to the President or to the Congress of the cases where the contemplated concessions would go below the peril points. This would provide a signal against the danger ahead if such concession should be made. This would, in my opinion, prove of great advantage to our producers and our workers.

Another feature that needs attention by way of remedial action relates to what is termed the "escape clause." A peril-point clause, to which I have just referred, is to warn us of danger, and the escape clause is to save us in the event that a situation develops that shows we have made a bad bargain. Thus, the peril point and the escape clauses are closely related. The adoption of adequate provisions to accomplish the purposes designed for each of them respectively is with the sole thought of protecting American industries and their workers from what might be found disastrous to American interests. Clauses of this character should have the approval of the Congress.

In conclusion, I think it would be much wiser to limit the operation of the act to 2 years instead of 3. The uncertainty that exists in the world today admonishes us to go carefully. We should not commit ourselves too far in the future. We need to exercise caution.

I trust that the suggestions I have made to improve our reciprocal trade-agreement policy will have the support and approval of the Congress.

Mr. REED of New York. Mr. Chairman, I yield such time as he may desire to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. WIGGLESWORTH. Mr. Chairman, we have considered periodically the method of tariff reduction provided for in the present bill.

I rise today as I have risen before to urge the adoption of the so-called escape-clause amendment, the so-called peril-point amendment, and for that

matter any other amendment which may be offered to protect American labor.

I rise particularly to support the so-called escape-clause amendment which is to be offered, and to express the hope that the Democratic majority of this House will see fit to accept it.

This amendment will permit suspension, withdrawal, or modification of concessions by the President whenever any industry in America may be jeopardized as a result of any trade agreement.

Frankly, I cannot see why or how any Member of this House, who has at heart the best interests of the great body of patriotic, hard-working men and women in this country who compose our labor force, can oppose this amendment.

I appreciate fully the importance of international trade. Under present world conditions, confronted as we are by the menace of world-wide communism, international trade is vital.

But surely, Mr. Chairman, we have not only the right but the solemn obligation to safeguard American labor from the loss of its means of livelihood—from being thrown into the army of the unemployed—if the administration misjudges the effects of any particular trade agreement under existing policy.

We talk of a "reciprocal" trade-agreement policy. The policy under consideration, Mr. Chairman, has never been truly reciprocal. Every man and woman in this House today knows that once a concession is made to one country, that concession, generally speaking, applies to every other country on the face of the earth, whether or not behind the iron curtain, which produces the commodity in question.

Who can tell what the adverse effects under any trade agreement may be under these conditions?

It cannot be denied that great damage has been done to certain industries under the present trade agreements policy. Those of us in New England will not forget the fate of the Waltham Watch Co., and the American watch industry generally, despite repeated appeals to the State Department and the Tariff Commission.

Why not require an escape clause in all trade agreements as a safeguard for our workers in the future?

An escape clause has in fact been included in certain agreements from the outset. Still other agreements have been renegotiated for the purpose of including an escape clause.

The amendment which will be offered will simply make it mandatory that every trade agreement hereafter shall include a proper escape clause.

I am for international trade, Mr. Chairman, but I am also for the protection of the men and women in this country who labor in our plants and who contribute to the industrial success of this Nation.

They are entitled to and must have jobs at real American wages, under decent working conditions, if we are to produce what must be produced to meet our tremendous obligations at home and abroad.

In the name of American labor, in the name of American industry, essential in time of war, I appeal for the overwhelming approval of the escape-clause amendment when offered and for the approval of any other amendments which will safeguard the jobs of the rank and file of labor.

(Mr. WIGGLESWORTH asked and was given permission to revise and extend his remarks.)

Mr. REED of New York. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. SCUDDER].

Mr. SCUDDER. Mr. Chairman, almost 2 years ago today when H. R. 1211 was under consideration, which repealed the peril point and escape clause and extended the Reciprocal Trade Act for 3 years, I opposed this bill and gave warning to the effect that it would be hazardous to American agriculture and industry. I cited a number of industries in my district that would be jeopardized through the reduction of tariffs. I cited from a speech of Albert S. Goss, master of the National Grange, and of Mr. Ray B. Wiser, president of the California Farm Bureau Federation, substantiating my position in opposing this legislation.

One year later, on February 9, 1950, I addressed this House on the effects of the Reciprocal Trade Act during the past 12 months, and I am sorry to say that my predictions were coming true. Among the industries that were being injured through the unrealistic administration of the Reciprocal Trade Act were lumber, fishing, and many agricultural crops, including hops, walnuts, olives, almonds, prunes, grapes, cherries, and many other industries in my own district, besides an untold number of industries throughout the United States.

The tariff on hops had been reduced from 24 cents to 12 cents a pound and Czechoslovakian hops from behind the iron curtain wrecked the hop market in this country. Olive oil from the Mediterranean, where labor is paid \$1 a day as against \$1 an hour in California, had completely ruined that industry. The Waltham Watch Co., a hundred-year-old firm, had just closed its doors, throwing 1,231 employees out of work on 1 day's notice.

In June of last year I appeared before the subcommittee of the House Committee on Education and Labor to give testimony in order to stop the negotiation that was being planned for the reduction of tariff on dry wines. Vineyard labor costs in the United States an average of from \$8 to \$9 per day, while comparable labor in France ranges from a low of \$1.84 up to \$2.50 a day in harvest periods. Seventy-two cents to a dollar per day in Spain and Portugal, and from \$1.12 to \$1.26 per day, plus a quart of wine in Italy. It costs \$105.18 to farm 1 acre of grapes in California, while the average cost in foreign countries is \$26.56. Therefore, if the grape growers and the manufacturers of wine are to survive in this country they must have adequate tariff protection.

I could name many other industries that were folding up at that time because of the effect of the reciprocal trade agreements entered into. The constant threat to American agriculture and industry of the present unrealistic tariff law administered according to the whims of international theorists can only mean disaster to our American way of life. The United States of America became great because of individual initiative which had the protection of an adequate and proper protective tariff system that permitted our economy to develop and expand, and is responsible for the high standard attained for the farmers, labor, and industry.

Only a few months ago hearings were being held at the request of organized labor here in Washington, protesting the reduction of tariffs which were closing American factories and throwing men out of employment. Millions of men at that time were out of a job. Then came June of 1950 and another war. Must we continue indefinitely to depend upon war bailing us out economically with the sacrifice of thousands of our young men and the hardship that goes with it? I say that we should solve our economic problems in a realistic manner. We continue to win the wars and lose the peace. I believe it our duty to write into the reciprocal trade agreement the peril point and the escape clause in order to lend stability to our agriculture and industry.

I would like to quote from a letter I received today from Ray B. Wiser, president of the California Farm Bureau Federation:

We also recommend that any extension of the Reciprocal Trade Agreements Act should carry a provision setting definite minima beyond which tariffs could not be lowered. These minima should be set by an investigating agency after careful review of all the pertinent facts.

It is apparent that the whole mechanism of tariff rate determination is now geared to accomplish reductions in tariff rates. It is our belief that by legislation or policy, provision should be effected whereby adequate consideration can be given to agricultural industry requests for tariff increases where such industries are hard hit by increasing imports.

I also have word from the almond growers of California that imports of almonds in the past 60 days have been greater than any like period during the past 25 years. It is estimated that 5,000,000 pounds of shelled almonds, together with those produced in this country, will serve the American market. Already this season the imports exceed 7,240,000 pounds, and unless curtailed will reach eighteen to twenty million pounds. This will spell ruin to this industry.

Without a doubt many other industries in this country are facing the same problem. I am thoroughly in agreement with the principle involved in the Reciprocal Trade Act. It is fine in principle, but its application, however, has proven disastrous to many of the industries throughout the length and breadth of our country, and the attitude of those

who have been effecting our agreements for the past 20 years is that industry must be sacrificed in order to pacify producers in other countries.

I have introduced H. R. 2194 to restore the peril point and the escape clause to our foreign trade agreements. I expect to have ready for introduction the principles of my bill to be amended into the pending bill. I cannot see how we can continue to maintain our American standard and our American wage scales and continue to purchase competing articles from foreign countries where their labor costs are so greatly below ours.

The application of the tariff law has not been reciprocal. It is a one-way, downhill, twisting road, with supersloped the wrong way, and at every turn we lose one of our important industries, or one of our American agricultural producers.

I plead with you to amend this bill to provide for the peril point and the escape clause to give some semblance of protection to our American workingman and our American industries.

(Mr. SCUDDER asked and was given permission to revise and extend his remarks.)

Mr. REED of New York. Mr. Chairman, I yield such time as he may desire to the gentleman from Washington [Mr. TOLLEFSON].

Mr. TOLLEFSON. Mr. Chairman, I doubt that there are many Members of the House who are not in accord with the theory or the principles of the reciprocal-trade legislation. The controversy over the subject deals chiefly with the administration of the legislation and the results which have been brought about because of that administration. It seems to me, therefore, that the legislation should contain some provisions which are designed to correct in some measure the administrative errors. Along with other Members of the House I believe amongst those provisions should be one dealing with the so-called peril point.

A number of domestic industries have been seriously injured because of the almost utter disregard had for their welfare in the lowering of tariffs on the imports of competing foreign products. I should like to point out one such industry to the Members of the House, namely, the Pacific Northwest fishing industry. Permit me to refer to one or two segments of it.

For instance, the halibut industry in the North Pacific normally employs 559 vessels and 3,084 fishermen, and products of that fleet grossed \$34,000,000 in 1948; the North Pacific otter trawler industry—excluding vessels operated from California—normally employs 300 vessels and 1,350 men and produced a gross of \$3,667,100 in 1948.

This important segment of our national economy is now in trouble because of imports of vitamin A from Japan—which cut 1950 liver prices to one-fourth of the 1948 level—and imports of groundfish fillets from Canada and Iceland at prices so low that they have undermined the United States market to such an extent that Washington and Oregon

vessels faced with United States costs no longer can compete in the market.

Cod fillets produced by United States fishermen cost raw fish dealers from 20 to 24 cents a pound under present-day costs—while similar fillets imported from Canada and Iceland sell in the same market for from 18 to 21 cents a pound. This differential in price resulting from lower costs for foreign fishermen closes out our markets to our own fishermen. I cite the case of the Eardley Fish & Fillet Co., of Seattle as an example of the damage done to local fishing industry as a result of imports. This company had 32 vessels under contract in 1947 and employed 70 to 80 people in its plants at that time. Today, only six vessels are being used and shore workers number only 30 to 35. And, whereas in 1947 the 32 vessels were operating without limit, the vessels now are limited to 2,000 pounds each—while the same vessels were averaging from 60,000 pounds to 100,000 pounds each in 1947.

Imports of vitamin A and groundfish in the halibut and otter-trawl fishing industry—including the allied shark industry—have destroyed the full-time jobs of 200 soupfin shark drift netters—destroyed the off-season employment of 450 halibut fishermen—reduced the incomes of 3,000 halibut and shark fishermen by \$3,200,000 annually and have overburdened the already overcrowded halibut industry by the addition of 50 boats and 300 men from other branches of the fishing industry, and destroyed 586 jobs in the otter-trawl industry and reduced the incomes of those employed in that field.

The only remedies suggested by Government officials have been to increase imports, reduce exports, continue to send money to other countries to give them funds to pay for United States goods and provide cash benefits for those hurt by increased imports. It is my view that the best long-range solution is to limit imports to a fair percentage of domestic consumption and then allow our economy to adjust itself to this policy. The payments of benefits to those hurt by unlimited imports is an unsatisfactory remedy. We remember the difficulty encountered by OPA in the fish business during the war and the difficulties of subsidy payments would be 10 times as great.

The Northwest fishing industry is being injured mostly in the vitamin-A field by imports from Japan. The market for vitamin A produced by Northwest fisheries is the entire United States, while that area's fillet market generally is limited to the western half of the country. One Seattle firm that formerly obtained its bottom fillets from fishing vessels at Seattle now buy their supplies from British Columbia where a big fillet industry has been developed.

Fishing is also a vital part of the Alaskan economy and now is being seriously threatened by foreign-fish imports in the United States. Fishing generally supports the Alaskan economy; without it, Alaska would be severely injured. The otter-trawl industry normally employs about 1,500 men—employment in that industry now is down to 800 men. This employment drop represents about a 40-

percent decrease in employment in that branch of the industry and is a fair example of the situation in the entire industry.

A peril-point provision in the pending legislation could be the means by which some protection would be afforded to the Pacific Northwest fisheries. The fishing industry is an old and important segment of our national economy and should not be permitted to be destroyed. I sincerely trust that the House will see fit to support the peril-point amendment which will be offered under the 5-minute rule.

Mr. REED of New York. Mr. Chairman, I yield such time as he may desire to the gentleman from Indiana [Mr. BEAMER].

Mr. BEAMER. Mr. Chairman, the interest of the laboring men prompts me to take the floor in their behalf. In this very important measure we must have two considerations: One, academic, and the other practical. From the theoretical point of view the chances are that all of us are agreed that a reciprocal trade agreement honestly and fairly administered might have equal results on all member parties. Unfortunately, however, and especially from reports received from my own district, it has not been fairly administered and the result is that it has endangered the opportunities of laboring men to feel secure in their present employment.

This brings us to the serious consideration of the very practical aspect of this measure. The working men and women should be considered as one of the very important factors because they are entitled to continue in their employment and this cannot be accomplished if cheap foreign imports will close the factories in which they are employed.

Speaking for just one industry in my district in Indiana, I would like to refer to the clay tile group. There is a very serious threat to the American tile industry. This industry is not large but there are 37 manufacturing plants in this country that employ approximately 9,000 people and represent an invested capital of around \$35,000,000. These plants are located in 12 States and raw materials come from 22 States. In addition, tile is distributed through some 4,500 tile contractors to consumers in every State in the Union. In all, the industry provides employment for some 30,000 people and makes possible higher living standards for millions of Americans.

Now the deplorable condition that has developed in this one particular industry is illustrated by the fact that the imports of clay tile in this country are increasing by leaps and bounds. Two thousand four hundred and three percent more foreign tile was imported from low-wage countries in the first quarter of 1950 than in the first quarter of 1949. To place this in actual figures, from all countries the 12 months of 1949 showed an import of 424,000 square feet. In the first 10 months of 1950 this import had climbed rapidly to 1,135,000 square feet. Now these tiles are the kind that are used in making

more practical and modern bathrooms, floors, and for similar purposes in the building industry. Thus you can see that this is a very considerable figure.

If this practice continues the very existence of the American tile industry is threatened. The fact of the matter is that the best grade of tile is made in these United States and the quality of the tile imported from abroad is far inferior to the product which is demanded by the American consuming public.

One of the largest consumers is the United States Government itself and, by this very process, our own Government faces a loss of the only reliable source of supply of genuine ceramic floor and wall tile of high quality due to these unwise tariff policies. In this particular industry, which is semiskilled, 70 percent of the cost of making tile is direct labor costs. Thus it is very evident that the high wages which the workmen in this country enjoy would make it impossible for any manufacturer to compete with foreign imports.

The letters that have been coming to me are from the employees in the factories rather than from the management. These laboring folks are very much concerned and worried about their future. They have seen the manner in which these cheap foreign ceramic tile imports have reduced the sale of the products of their own factory and they can envision the time when they will be forced to abandon their years of experience and training and seek another livelihood.

Another glaring danger in the lack of protection to this specific industry is indicated by the effect which the devaluation of the British pound sterling produced upon the sale of tile. Following the devaluation of the British pound sterling in terms of the dollar in September 1949, imports consisting largely of British glazed wall tiles increased immediately and have continued to represent the major competition. Export prices of British glazed wall tiles in terms of dollars declined about 30 to 35 percent through the devaluation of the pound sterling.

These are only a few of the conditions that have caused the people in one of the large cities in my district to become alarmed and to write so many letters of protest. To substantiate these statements, Mr. Chairman, under unanimous consent to revise and extend my remarks, I include therein certain letters:

ANDERSON, IND., January 26, 1951.

HON. JOHN V. BEAMER,
Congressman, House Office Building,
Washington, D. C.

DEAR CONGRESSMAN BEAMER: As I understand it, the House Ways and Means Committee is now holding hearings in reference to lowering the tariffs of foreign countries. This will, of course, vitally affect the tile industry, in which I am employed.

I am opposed to any reduction in tariffs on tile coming into the United States from foreign countries.

Having heard that the foreign-made tile is not the high quality tile made in the United States, it will not only affect the tile manufacturers here and employees but also the consumer.

I sincerely hope that you will do everything in your power to prevent this lower tariff on imports idea.

Sincerely,

MARJORIE ROBERTSON.

ANDERSON, IND., January 26, 1951.

HON. JOHN V. BEAMER,
Congressman, House Office Building,
Washington, D. C.

DEAR CONGRESSMAN BEAMER: I would like to take this time to write you in regard to the problem of the possibility of lowering the tariff rates on imports to the United States from foreign countries, such as England, Spain, Italy, etc.

If the tariff is lowered, it will very definitely affect the smaller industries, such as the manufacture of tile, and since I am employed by a tile concern, it is of great interest to me.

I urge you to do everything in your power to see that this tariff is not lowered, but raised.

Sincerely,

FLORENCE POORE.

ANDERSON, IND., January 25, 1951.

HON. JOHN BEAMER,
Congressman, Fifth District of Indiana,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN BEAMER: Although there is much discussion in regard to foreign affairs and national defense, there is one thing that I would like to call your attention to that will affect us eventually, and that is the low tariff on imports of foreign tile. Tile is coming into this country and sold at a price much cheaper than the American manufacturer can make it. This foreign tile coming from England, Spain, Italy, and Belgium is not the high-quality tile that is made in this country.

On just a plain visual inspection the foreign tile may appear to look as good as American-made tile, but after the foreign tile is installed, it is apt to craze (check), and not hold up nearly as well as the American tile. If we permit this foreign tile to come in and take the place of a higher quality tile, it will have a tendency to reduce our output of tile from the American factories, and thus reduce work for the American people. Although this has not been much of a factor in the past 4 or 5 years, if we allow this tile to come in with a low tariff rate, it will have a damaging effect upon our own country. The low-priced foreign tile will force the tile manufacturer to reduce his prices in order to meet this competition even though his quality is much superior to the foreign product. By reducing his prices, it will reduce profits or wages, or will gradually have to go out of business.

The tile business is a necessity to the American people and to all manufacturers. The engineers in the tile industry do develop some basic ideas in regard to the manufacture of tile and the silicate industries. These ideas are exchanged with men in the refractory, the dinnerware, and the brick industries. A number of times the refractory men obtained information from the other silicate industries in order to make better refractories so that it is possible to process iron, steel, copper, etc., through the melting furnaces at a cheaper rate. In other words, they can make refractories that will last longer.

Therefore, I would urge you to do everything in your power to see that the tariff on tile is increased, namely: (1) To protect one of the small American industries; (2) to insure a higher wage for the people working in this industry; (3) to insure that the American people will get a better product by not allowing the foreign inferior product to

replace the American product; and (4) to insure the build-up of more technical information for general use in all industries in order that we may have a higher standard of living.

Sincerely yours,

EARL E. BALDAUF.

NATIONAL TILE &
MANUFACTURING CO.,

Anderson, Ind., January 26, 1951.

HON. JOHN V. BEAMER,
Congressman, Fifth District, House
Office Building, Washington, D. C.

DEAR CONGRESSMAN: Mr. Louis S. Jones has called my attention to a letter from you under date of January 18 in reply to one from him in which you ask that he supply you additional information in reference to imports of clay tile from low-wage countries under present tariff rates and its effect upon the tile industry in this country.

Mr. Jones has asked me to send you some material on the subject which I am very glad to enclose herewith.

These so-called reciprocal trade agreements seem to be formulated upon the basis that they are helpful to foreign countries without consideration of the harm they bring about here in the United States. As an example, such a reciprocal arrangement was made with Mexico a few years ago—this was repealed in December 1950—that established a duty of 10 cents per square foot on tile coming from that country to the United States. Mexico reciprocated by establishing a duty of 40 cents per square foot plus an additional 40 percent of the value of all American tile shipped to Mexico which arrangement effectively cut off shipment of any tile to that country from here and permitted tile made by the very cheap Mexican labor to be sold here at prices much lower than domestic production cost.

Imports of clay tile into this country at this time are increasing by leaps and bounds. Two thousand four hundred and three percent more foreign tile was imported from low-wage countries in the first quarter of 1950 than in the first quarter of 1949. Continuation of this practice threatens the very existence of the American Tile Industry which, as a matter of fact, is the only reliable source of supply for this material in the entire world. Other countries supply the United States only with special items in large demand leaving the more difficult and unprofitable items to be supplied by domestic manufacturers.

The American consumer, largest of whom is the United States Government itself, faces the loss of the only reliable source of supply of genuine ceramic floor and wall tile, due to these unwise tariff policies. Since as much as 70 percent of the cost of making tile is direct labor cost, every increase of foreign imports means a direct threat to the tile industry in this country and to the jobs of 7,000 Americans employed in tile manufacturing plants.

I enclose herewith a very comprehensive study of this situation prepared by the Tile Council of America. I believe you will receive another similar booklet being mailed about this time by the Anderson Chamber of Commerce to its members.

I assure you we will appreciate any effort you make to bring about higher, rather than lower, tariffs on clay tile.

I hope you and Mrs. Beamer are becoming acclimated to your new surroundings in Washington, and with best wishes to you both, I remain,

Sincerely,

R. H. ALEXANDER,
President.

(Mr. BEAMER asked and was given permission to revise and extend his remarks.)

Mr. REED of New York. Mr. Chairman, I yield 11 minutes to the gentleman from Illinois [Mr. MASON].

(Mr. MASON asked and was given permission to revise and extend his remarks.)

Mr. MASON. Mr. Chairman, the New Deal tariff policy, known under the nice-sounding name "reciprocal trade agreement" has been in effect during the past 16 years. If it were not for the Korean War and the Nation's rearmament program now getting under way, we would have a greater unemployment problem on our hands today than the Nation had back in the boondoggling and leaf-raking days of the 1930's. The Reciprocal Trade Agreements Act expires in June. It is now before the House for consideration and action. Should it be extended for another 3-year period?

Mr. Chairman, the tremendous imports that are flooding our markets today have already dealt damaging body blows to the following American industries: Fishing, glassware, pottery, jeweled-watch, fur, glove, and textile. Large imports of these manufactured goods are flooding our markets and destroying the jobs of American factory workers.

The fallacy of importing millions of dollars' worth of goods when we have surpluses of our own seems not to have penetrated the minds of our "do-gooders" who have control of our imports. We import millions of bushels of potatoes while destroying and dumping millions of bushels of our own. We import millions of dozens of fresh eggs—and millions of pounds of dried eggs—yet our own surplus of eggs is so large that it has become a public scandal. We import millions of pounds of beef and pork, millions of bushels of wheat, corn, barley, and oats, and at the same time force the American taxpayer to dig deep in his pockets to pay the cost of supporting the prices of these same products that our own farmers raise. At the present time our Federal Government owns or controls through price-support operations over half the total feed grain stocks in the entire United States.

How can we maintain high wages for American workmen and high living standards for American people when we permit goods manufactured by foreign workmen working for low wages, and farm products raised by farmers who for centuries have been living like serfs, to flood our markets and destroy the jobs upon which our workers depend?

Mr. Chairman, the results of the reciprocal trade agreements and other tariff concessions should be reexamined. The administration has been risking, almost inviting, the bankruptcy of important American businesses in order to build up the foreign trade of other countries. We have been courting unemployment for millions of American working people. We have been playing right into the hands of other nations—at the expense of our own.

At one time or another during the past half century some 50 American corporations have made jeweled watches. To-

day only two of them are operating, the Elgin and the Hamilton, the other 48 jeweled-watch companies have been run out of business by the Swiss watch importations.

Recently union officials joined with glass manufacturers of New York, Pennsylvania, West Virginia, and Ohio in presenting to Members of Congress the troubles of the glass industry of America. Employment in plants making better-grade glassware is now only 30 to 50 percent of normal, and thousands of men are out of work. The reason? The recent flood of foreign glassware into American markets at prices much lower than the labor cost of producing similar ware in this country. Reciprocal trade agreements reducing tariffs on glassware, and special arrangements made by Mr. Hoffman under the European recovery program, are blamed for the situation. Incidentally much of the glassware now reaching American markets from abroad is made behind the iron curtain. Leaders of American labor and industry are becoming increasingly aware of the grave dangers of the administration's free-trade program—and it is about time.

Mr. Chairman, when first created by the Congress the United States Tariff Commission was a bipartisan, expert, nonpolitical, fact-finding body set up as an agent of the Congress, and responsible to the Congress. In 1934, when the Reciprocal Trade Agreements Act was passed, the Tariff Commission was subordinated to and buried in the executive department, and from then on ceased to be an agent of the Congress. The Eightieth Congress, in extending the Reciprocal Trade Agreements Act, placed a provision in the law—the peril-point provision—that in effect reestablished the United States Tariff Commission as an agent of the Congress, but provided that the Commission make a report to the President for his guidance in making future trade agreements. If for any reason he disregarded the findings of the Tariff Commission as to peril points, then the President would be required to make available to the Congress the Tariff Commission's report, along with his reasons for disregarding the recommendations of the Commission as to peril points.

This action of the Eightieth Congress was repealed by the Eighty-first Congress, so once again the United States Tariff Commission became the agent of the executive department, subject to the political decisions of the President, and dictated to by the State Department—a State Department more interested in the welfare of other governments and other peoples than it is in our own Government and our own people.

Mr. Chairman, the United States adopted its reciprocal-trade program in 1934. The program has been in operation 16 years. Its objective is to reduce or remove world trade barriers and permit the free flow of goods between countries, thereby removing one of the principal causes of war. That is an excellent objective, a very worthy purpose. How has it worked out? Testimony given before the Ways and Means Com-

mittee at recent hearings brought out the following very disappointing facts:

First. After 16 years, world trade barriers are greater today than ever before.

Second. We have experienced World War II, and the world today is in greater fear of war than when the Reciprocal Trade Agreements Act was adopted.

Third. American industries are being injured, American workers have lost their jobs, even though the full impact of the program upon our American industries has not as yet fully materialized.

Mr. Chairman, Dr. Clair Wilcox, a former Director of the Office of International Trade Policy of the State Department, and one of the best posted men in America on our foreign trade program, made the following statement before the United States Chamber of Commerce Institute on June 15, 1948:

The trade of the world today is more tightly regimented than it ever has been before in history, in time of peace. The tariff is the old-fashioned method of restricting trade. It is the mildest method of restricting trade that exists at the present time. As a matter of fact, a nation that confines trade restriction to the use of a tariff today can be said to be pursuing a liberal trade policy.

The June 1948 monthly letter of the National City Bank of New York contained the following statement:

Foreign producers criticize our protective duties on certain articles. Nevertheless, the United States market generally is freer of access today than practically any other market in the world.

Mr. Chairman, embargoes, quotas, preferences, import license restrictions, currency manipulations, subsidies, state trading, and other restrictive trade devices have been adopted by foreign nations to control the movement of trade. They are much more restrictive than simple tariff barriers. Our feeble tariff barriers are as nothing when compared with the trade barriers set up by governments that have entered into reciprocal trade agreements with us.

Mr. Chairman, we built up a watch industry in the United States that did give employment to scores of thousands of workers. These workers were paid a reasonably high wage that enabled them to live decently upon a standard of living that is the highest in the world, Switzerland, under our reciprocal trade agreements program, has been dumping millions of watches on our American market at far less than it costs to manufacture them here. This has forced our factories either to go out of business or to go on part-time production. What is the difference between importing cheap labor to compete with our American labor—which our immigration laws forbid—and importing the products of cheap labor to compete with the product of our factories—which our reciprocal trade program permits—thereby robbing our factory workers of their jobs?

Mr. Chairman, since 1941, when we entered the war, a total of 75,000,000 Swiss watches have been imported. During the last 6 years, 1945–51, an average of more than 9,000,000 Swiss watches were imported each year. This importation of Swiss watches under our reciprocal trade agreement with Swit-

zerland has seriously damaged our American watch industry.

Mr. Chairman, after 16 years of experimentation with reciprocal trade agreements, it is time for us to stop, look, and listen; it is time for us to analyze, to weigh, and to measure the results of the reciprocal-trade program before we extend it for three more years, without the safeguards that were placed in it by the 1948 act. A careful analysis of the results of our 16 years' experience convinces me of the following:

First. The program has not contributed to international good will.

Second. The program has not removed nor reduced world trade barriers with the exception of our own.

Third. The program has not prevented war nor removed the threat of war.

Fourth. The program has already damaged some American industries and thrown thousands of American workmen out of work, even though the impact of the program upon our economy has not as yet fully materialized.

For these reasons, Mr. Chairman, I am opposed to the passage of H. R. 1612 without proper and necessary safeguards being incorporated in the bill.

Mr. MILLS. Mr. Chairman, I yield myself 15 minutes.

(Mr. MILLS asked and was given permission to revise and extend his remarks.)

Mr. MILLS. Mr. Chairman, the trade agreements program is a program sponsored by the United States since 1934 to expand international trade by reducing international trade barriers.

The program is premised upon the American conception of a dynamic and constantly growing economy. It attempts to establish trading conditions for the world in which free private competition can stimulate the production of more and more goods at constantly lower prices as has happened so successfully in the United States.

Initially the program consisted of a series of negotiations between the United States and one other country in which reciprocal trade agreements were concluded providing for either the freezing or reduction of tariff rates on a number of individual commodities on the part of one country for equivalent concessions on the part of the other. Up to the outbreak of World War II, some 20 countries had concluded such trade agreements with the United States. More were added in the Western Hemisphere during the war.

In the realization that there would be need for drastic action to expand trade after the war, the program was adopted to permit quicker and more extensive action. Instead of negotiating with one country at a time, we negotiated with 22 simultaneously, the result being the General Agreement on Tariffs and Trade, concluded at Geneva in 1947 and covering at one stroke barriers to over half the world's trade. Tariffs were reduced on some goods; preferences were reduced on others; undertakings were made on still others not to raise tariffs; and wherever preferences existed it was agreed that they would not be increased.

All agreed also to create no new preferences and it was generally agreed that quotas would be outlawed as soon as conditions permit.

As a result of further negotiations carried on at Annecy, France, in 1949 and of the current negotiations at Torquay, England, 39 countries have or soon will become contracting parties to the general agreement. A number of countries having prewar bilateral agreements with the United States have joined the general agreement and in such cases the old agreements have been either superseded or terminated. There are still, however, 14 bilateral agreements in effect in addition to the general agreement.

These agreements represent a very substantial achievement in reducing world-trade barriers both between the United States and other countries and between these other countries themselves. Despite the fact that World War II, its aftermath, and now rearmament have seriously distorted world trade, the program has been successful in holding trade barriers to a much lower level than would otherwise have been possible.

The program is considered a significant symbol of American economic leadership throughout the free world. It is recognized as a concrete example of intelligent American self-interest and the cornerstone of our foreign economic policy.

The relationship between the trade-agreements program and the United Nations:

Although the trade-agreements program is older than the United Nations, it is entirely consistent with the aims and policies of the UN.

The United Nations and its specialized agencies represent an effort to create the international institutions necessary for a free and prosperous world.

The United Nations already has specialized agencies in the fields of foreign exchange, banking, health, food and agriculture, labor, and aviation. It does not, however, have a specialized agency in the vital field of trade, and thus there exists a large gap in its structure. To some extent this gap is filled by the general agreement on tariffs and trade.

We are committed to unfaltering support of the United Nations. We have participated in the building and establishment of the International Monetary Fund to deal with the problems of international exchange. The purpose of the fund is to promote by international action reasonable stability and convertibility of currencies. Clearly, trade must be brought into balance if currencies are ever to be and remain stable. Regulation of exchange controls is futile if nations are free to use quantitative restrictions instead. To solve the problems of international trade, international cooperation with respect to exchange controls and currency valuation must go hand in hand with international cooperation with respect to other forms of trade barriers and the expansion of demand in international trade.

We have participated in the creation and operation of the International Bank for Reconstruction and Development, another organ of the UN. We also are

interested in encouraging United States private investment abroad. Clearly, loans cannot be repaid or earnings on investments received if international trade is not fostered and freed.

The trade-agreements program by reducing the barriers to world trade is helping the specialized agencies and the UN itself in the work of building a more prosperous world. The periodic meetings of the parties to the GATT provide a forum for the discussion and solution of trade problems. It is to be hoped that this work and that of the UN can be brought into closer relationship as experience develops.

The relationship of trade-agreements program to our commercial treaty program.

Both the trade-agreements program and our commercial treaty programs are efforts to expand international trade. This requires (a) that more goods be produced; (b) that there be more demand for goods; and (c) that it be easier to exchange goods.

Our commercial treaty program helps stimulate production by encouraging investment through agreement with other countries on the treatment they would give our investors and businessmen and vice versa.

The trade-agreements program helps make it easier to exchange goods by lowering the trade barriers and improving world trading conditions.

The relationship of the trade-agreements program to the European recovery program.

The trade-agreements program is a complement to the European recovery program, a short-term measure to assist Western European countries to produce in greater amounts and to give them time to become going concerns in the world economy. This assistance toward recovery, important as it is will be ineffectual unless world trade continues to expand to the point where all the recipient countries are able to sell their own goods and services to each other and to the outside world in sufficient amounts to pay for the imports they need and desire.

Consequently, in American self-interest, the long-run trading policies of the United States and the rest of the world must provide the best possible conditions for a full revival of international trade. The maze of restrictions, bilateralism, and discriminations must be eliminated so that trade may flow more freely. To help accomplish this result is the purpose and function of the trade agreements program. The full implementation of the trade agreements program will help Western Europe to stay on its feet after American financial aid ends, and make it more likely that the original American investment in Europe will pay future dividends in terms of expanding economies and allies able to improve their living standards and to pay for their own self defense.

The relationship of the trade-agreements program to the point 4 program.

Both the trade-agreements program and the point 4 program will contribute to the development of underdeveloped countries.

Point 4 is a program by which the United States will make available to other countries know-how and skills that will help them to develop their resources on a sound basis. It is also designed to help promote the flow of capital to productive work in underdeveloped countries.

The trade-agreements program helps in this process in two ways: (a) by helping to create world trading conditions in which it will be easier for the underdeveloped countries to get things they need and sell things they produce; and (b), by recognizing in the general agreement on tariffs and trade that the special circumstances of underdeveloped countries may require some deviations from the general rules which the contracting parties have agreed to follow in order to foster new industries.

The purpose of the point 4 program is to stimulate production in countries where an increase in production is most needed. It is a direct approach to the problem of low productivity in these countries. However, an increased capacity to produce is not enough. Larger markets are required to absorb the increase. The trade-agreements program by reducing barriers to trade can help to widen the markets, thus buttressing the point 4 program at a very vital point.

The relationship of the trade-agreements program to European economic integration: European integration is completely consistent with the trade-agreements program and the program can help the European countries in working toward integration.

The purpose of European integration is to create a large area in Europe in which there are a minimum of trade barriers and in which the competitive forces of the market place can operate as freely as possible.

The purpose of the trade-agreements program is to help get down trade barriers and release competitive forces over as wide a part of the world as possible.

The end objectives are thus completely consistent.

The general agreement on tariffs and trade clearly recognizes in its provisions about customs unions and free trade areas that it may be possible for certain groups of countries to go further than others in eliminating barriers between themselves, and that this process is desirable if it is a genuine step in the creation of wider markets and not just a way of giving preferential treatment in special cases, or of raising higher barriers against other countries.

Thus, any genuine steps toward real economic integration of Europe are consistent with the specific terms of the general agreement.

Moreover, by creating a wider acceptance of liberal trading rules all over the world, the trade-agreements program is helping to establish the kind of world trading conditions in which the process of genuine economic integration in Europe could go forward faster and have a better chance of sticking.

Specifically, Europe's problem is not just one of developing a larger and freer market inside Europe itself. Integration alone cannot solve the problem of Euro-

pean recovery. Densely populated and dependent upon overseas areas for raw materials and food, Europe can at best achieve no more through integration than an increased productive capacity and an increased ability to export. There still remains the problem of finding overseas markets for the expanded output. The trade-agreements program can help obtain for Europe better access to these markets.

The relationship between the trade agreements program and the customs simplification bill.

Both the trade-agreements program and the customs simplification bill are designed to expand international trade by reducing trade barriers.

The customs simplification bill is primarily concerned with indirect barriers to trade known as customs red tape which some times are more burdensome to trade than tariff duties themselves. The bill proposes a number of changes in our custom administrative and internal revenue laws but would make no changes in tariff rates as such.

The trade-agreements program, on the other hand, is designed to expand trade by reducing tariffs as well as other trade barriers. Under the program, the General Agreement on Tariffs and Trade has been negotiated and put into provisional effect by 31 of the leading trading countries of the world. Passage of the customs simplification bill would enable the United States to make fully effective certain principles set forth in the agreement and thus make it possible for us to press for reforms in customs procedures in foreign countries.

The relationship of the trade-agreements program to the North Atlantic Treaty program and to our national security.

The task of creating defense against aggression is not exclusively a military task. The ability of the United States and other free nations to resist aggression is fundamentally dependent upon the maintenance of our joint economic strength and upon our taking measures to promote the growth of this strength.

In essence, the North Atlantic Treaty states that an armed attack against one or more of the parties to this treaty shall be considered an attack against them all. This undertaking presently necessitates accelerated defense programs in the United States and the other member countries. Production for defense, when conducted on a large scale, means greatly increased economic activity. There is greater employment, and more money comes into circulation, creating a larger total demand for goods and strong inflationary pressures. To the extent that the trade-agreements program has been successful in achieving tariff reductions, thereby increasing United States imports, it will add to the supply of goods and help to restrain the inflationary pressures we shall encounter.

The North Atlantic Treaty also requires the parties to eliminate conflict in their international economic policies and to encourage economic collaboration among themselves. Valuable as has been the contribution of the general agreement toward the reduction of world tar-

iff barriers, many will argue that the general agreement made an even more important contribution by providing a forum where the world's major trading nations can come together and discuss their trade problems. Among its members, the general agreement can count all but two of the signatories to the North Atlantic Treaty—Iceland and Portugal.

The North Atlantic Treaty is a part of our program of collective security. Our own national security depends not only upon our participation in such collective measures, but also upon our building up our individual strength. Although we possess the greatest industrial plant in the world, we would actually be able to produce very few of the present-day marvels of machinery if we were unable to import certain essential raw materials. In fact, without imports many products which are part and parcel of the American standard of living, such as radios and automobiles, at their present state of perfection, would be unobtainable. The steel used in making jet engines must have added to it small amounts of certain metals which do not exist in the United States in adequate quantities. Today, when our need for such materials is great, we can count on a full measure of cooperation from countries which have recognized our good faith through our leadership in the world trade field.

Mr. Chairman, over the past months many questions have been propounded concerning the theory and operation of the trade-agreements program in addition to those which I have already discussed.

During the remainder of my time I desire to state some of these questions and to suggest what appear to me to be logical answers.

What can be done under the trade-agreements program about all these bilateral agreement we see countries everywhere signing? Are not they quite inconsistent with the GATT?

The trade-agreements program is designed to help remove the conditions which cause most of these bilateral agreements, and in the general agreement there are provisions designed to prevent those that are purely protective or discriminatory.

Bilateral agreements are a symptom of the kind of world trading and economic conditions which the trade-agreement program is intended to help improve. The usual reason why countries enter into bilateral agreements is because their currencies are not convertible, because they do not have enough goods to sell to earn all the foreign currencies they may need, and because other countries' currencies are not convertible. So they make these agreements to be sure that if they send their goods to another country they will get back goods in return and not just currency that they cannot use.

The trade-agreements program contributes to this problem of restoring currency convertibility by helping to make it easier for countries to exchange their goods with each other. As unnecessary restrictions on international trade are cleared away, allowing it to expand on

a multilateral basis, the balance-of-payments position of countries all over the world will tend to improve and there will be far less incentive to use bilateral agreements.

There are some cases in which bilateral agreements have highly protective elements in them and make it possible to dispose of goods which are too costly to compete freely on world markets. Agreements of this character are contrary to the provisions of the GATT.

Why are not the present import promotion efforts adequate to enable other countries to earn dollars without any further tariff tampering?

Export promotion plans in other countries and import promotion programs within the United States can help foreign exporters to learn about the American market; they can teach exporters what sorts of products sell well here, and how to package them; and they can make the American public better acquainted with other countries' goods. They can also provide incentives to sell in the United States such as the Netherlands plan. They cannot, however, overcome the basic price problem which arises from the fact that the tariff rate must be added to the cost of foreign goods sold within this market. Reductions in the United States tariff can help foreign exporters to compete in this country just as reductions in foreign tariff barriers can help the American exporter to compete abroad.

Where is the peace this program was going to bring?

It has never been contended that the trade agreements program would insure peace. It would be unreasonable to expect the program to meet all the problems raised by aggressive communism. However, the facts are that an expanding world economy is an indispensable factor in the maintenance of the political stability of the countries of the free world, that a high and expanding level of international trade is of vital importance in increasing world production and world living standards and that the trade agreements program is a real assurance that the United States will exert, commensurate with its importance, leadership and influence in expanding international trade.

The trade agreements program, by removing barriers to international trade, has strengthened the economy of the free world and has been a factor in the increased economic efficiency of Western Europe. The rising living standards and growing military potential of the countries of Western Europe can in some part be attributed to the effect and influence of American leadership in liberating and expanding world trade.

In the long run, it will be the economic and social conditions which will determine how the millions in Asia and throughout the world will choose sides in the struggle between freedom and totalitarianism. If we are to create the situations of economic and political strength, which will successfully check Russian expansion and ultimately assure peace, we must not only arm ourselves and our allies but also continue programs such as the trade agreements pro-

gram which effectively demonstrates America's belief in an expanding and more prosperous world.

Most foreign countries with which we have signed trade agreements require that they be approved by their parliaments. Why shouldn't our Congress pass on these trade agreements?

Under the parliamentary form of government the executive and legislative branches have a different relationship from that of the two branches in the United States. The executive in such a government has practical certainty of legislative approval for what it does—otherwise "the government would fall." The evidence of this is that in no case has the parliamentary or legislative body of the other country failed to ratify a trade agreement after its negotiation by the executive. In this country the legislative branch can and frequently does fail to ratify treaties and other acts of the Executive.

More importantly, none of the legislative bodies of the countries with which we have made agreements had granted to their executives in advance, the specific authority to negotiate trade agreements, hedged and qualified by standards and guides and limitations. This specific prior authority has been granted to the President by the United States Congress in the Trade Agreements Act.

Why can not criteria be adopted by the trade agreement organization or written into the Trade Agreements Act by Congress for determining the extent by which tariff rates should be cut?

The trade agreement organization does have criteria for determining the extent by which tariff rates shall be cut. These criteria are the degree of competitiveness of the domestic and imported article—what particular types and grades of the commodity meet in competition; in what areas does the competition exist—is it centralized in one locality or well dispersed; what is the extent of the competitive impact; cost of production, cost trends, prices and wages; seasonal factors (to what extent the products compete in different seasons and to what extent these seasons overlap); questions of raw materials and sources of supply; extent to which the United States market is of vital importance to a particular foreign country or countries; domestic consumption and the extent it has increased or decreased; and foreign control of prices and markets. All of these factors are carefully weighed.

The weight to be given any of these factors varies immensely from product to product. It would obviously be almost impossible to write all these criteria into the act. If such an attempt were made, the result would be much too rigid and inflexible for practical administration.

Under the Constitution treaties do not become effective until ratified by the Senate. Why should not these trade treaties be submitted to the Senate for ratification as required by the Constitution?

The question has been carefully and thoroughly studied by the Congress time and again. The conclusion each time has been that there is neither legal nor practical warrant for requiring Senate

ratification, as treaties, of the individual agreements. These agreements are concluded under a prior grant of authority from Congress, with clear and adequate standards and principles for the guidance of the Executive.

On the practical side of the question history has demonstrated that reciprocal-trade agreements affecting tariffs are almost never ratified by the Senate because of the pressures brought to bear on the Members of that body by interests seeking tariff protection. Numerous Senators have themselves declared that they do not wish to return to the logrolling involved in general tariff rate making by a legislative body. It is, moreover, much more difficult to negotiate with foreign countries for concessions on American products if there is no certainty that concessions which we offer can actually be made. Under such circumstances foreign countries would be far less willing to grant us concessions for which we are asking.

Why object to an amendment providing for judicial review of failure to withdraw or modify concessions under the escape clause upon the complaint of domestic producers?

There is nothing for the court to review. The Supreme Court has stated categorically that "no one has a legal right to the maintenance of an existing rate or duty"—*Norwegian Nitrogen Co. v. United States* (288 U. S. 294) and *Bush & Co. v. United States* (310 U. S. 371)).

The individual citizen is entitled to his day in court through procedures whereby he has an adequate opportunity to present his case for or against tariff protection. He is assured of this. Thus, during congressional revision of the tariff, domestic producers, importers, and others present their views to the appropriate congressional committees. But such an individual may not institute litigation in the courts in case Congress fails to adopt his views and either raise or lower duties as the case may be. This is also so in cases where tariff changes have been entrusted to an administrative agency. For example, the Secretary of the Treasury is authorized to impose additional duties under section 303 of the Tariff Act upon a finding that goods are being imported under a subsidy, and under the Antidumping Act of 1921, upon a finding of dumping. Under section 336 of the Tariff Act—the so-called flexible tariff—the President is authorized, after investigation and report by the Tariff Commission, to increase or decrease duties in order to equalize the differences in the costs of production of the domestic and imported goods. The purpose of each of these provisions is to provide protection for domestic producers who might be injured by imports, but in no case is provision made for judicial review of failure to increase duties on complaint of a domestic industry that it is being injured by imports under conditions of dumping, subsidization, or lower cost of production.

Here, as in section 336 cases, the individual gets his day in court by the right given him under the Trade Agreements Act to present his case for or against tariff reductions in trade agreements to the interdepartmental trade agreements

organization through the Committee for Reciprocity Information. In addition, the President has established in Executive Order No. 10082 a procedure under which the Tariff Commission makes investigations whether articles are being imported under trade agreement concessions in such increased quantities and under such conditions as to cause or threaten serious injury to domestic producers of like or similar articles, and if it so finds, to recommend to the President for his consideration in the light of the public interest the withdrawal or modification of the concession.

The determination of what constitutes injury to a domestic producer as well as whether it is in the national interest to afford relief by withdrawing or modifying a trade agreement concession are matters peculiarly suitable for determination by an administrative agency having regard to all the relevant circumstances in the particular case, rather than a matter for judicial determination or review. Increased imports, the trend of imports as compared with domestic production, price and cost trends, conditions of supply and demand, changes in production, employment, wages, and profits are some of the factors to be taken into consideration in particular cases, but no one criterion or set of criteria can be laid down to determine injury to a domestic producer in all circumstances.

The procedure under Executive Order No. 10082 for investigation by the Tariff Commission of alleged injury by domestic producers, and giving the responsibility to the President for taking action upon its recommendations "in the light of the public interest," is, in the light of experience in tariff matters, a wholly satisfactory procedure that will on the one hand provide adequate protection for well-founded complaints and will, on the other hand, permit trade agreements negotiations to be continued.

Why is the publication of peril points undesirable?

First. Publication of peril points is undesirable in the first place because it would immediately indicate to the other countries with which we had negotiated how much further we had been willing to go. It would give away any future bargaining position on the products in question and cause some friction and hostility with the countries which we had out-bargained.

Second. It has often been so that the United States had no intention of lowering a rate to an extent anywhere approaching a conceivable peril point. Publication of peril points would thus give a wrong impression to foreign countries of what our actual negotiating position had really been.

Third. Publication of peril points would give the impression, erroneous to be sure, that there is an exact and scientific way of establishing them in the first place.

Fourth. Publication of peril points would create a rigid limit on all future action under the program even when conditions had so changed as to make the original limits more meaningless than they were at first.

Why is a 3-year renewal of the Trade Agreements Act needed? Why not limit renewal to 1 year?

All past renewals of the Trade Agreements Act have, until the 1-year extension in 1948 by the Eightieth Congress, been for periods of 3 years except for the 2-year renewal agreed to in 1943 when we were actively engaged in World War II. The 3-year period has proved satisfactory and there is no need to change unless it is intended to kill the program.

Renewal for only 1 year could lead foreign countries to feel that we are vacillating on a basic foreign policy issue. It would be an indication that there is little continuity assured for the trade-agreements program. It would expose the entire program to short-term political considerations and would not create the essential basis of confidence which is a prerequisite to continued participation by other countries in the general agreement and in our whole program to expand world trade.

It is a waste of time and energy to have renewals every year. The basic purpose, the well-established procedures and the underlying philosophy of the program have been exhaustively reviewed in six renewals. Public understanding and public support has been widespread and consistent. No new departures from the way the program has been administered in the past are envisioned. There are many other vital matters which require the attention and consideration of both the executive branch and the Congress. A 1-year renewal would be difficult to justify to the American public and to the free world.

Why should not Congress restore to American producers the right to litigate matters arising out of the trade agreements which is denied them under the present act?

It is assumed that reference is being made to section 516 (b) of the Tariff Act of 1930, under which a domestic producer has the privilege of intervening in transactions between an importer and the Government to which he is not a party, and to the fact that the provisions of this section do not apply to products on which tariffs have been reduced in trade agreements.

The Supreme Court has held that no one has a legal right to the maintenance of any particular rate of duty.

Experience has proved that this section, which invests certain private interests with extraordinary privileges, has resulted in delays in entry of thousands of items and has proved to be a serious obstruction to American businessmen attempting to do a legitimate import business.

Why is not the Tariff Commission as a Commission represented on the Trade Agreements Committee?

First. The staff of the Commission does function fully before the Trade Agreements Committee and on its subcommittees.

Second. Whether the representative of the Tariff Commission should participate in decisions of the Trade Agreements Committee only after he has re-

ceived the approval of his position from the majority of the Tariff Commissioners, is of course for the Commission to decide.

Third. The procedure which has been developed over 17 years has worked well. The representative of the Tariff Commission obviously knows the views of his colleagues although he does not get a formal vote. Furthermore, the representative of the Tariff Commission has not been a single individual or from a single party. In the 1947 Geneva negotiations four commissioners were involved over the 7 months' period of the negotiations—two from each party. In both the Annecy and Torquay negotiations only a Republican commissioner has been present.

Why should an entire industry rather than a single producer have to demonstrate injury before a tariff concession can be withdrawn?

Any industry consisting of a number of producers will undoubtedly experience different degrees of efficiency in the production of the commodity concerned by the different producers in that industry. Some producers will be highly efficient, producing at relatively low cost and being able to put their product on the market at a price not only lower than that of their domestic competitors but also lower than that at which any foreign supplier could profitably sell. Other producers may be grossly inefficient, manufacturing at high costs and unable, without special protection, to meet either domestic or foreign competition. Other producers, perhaps constituting the bulk of the enterprises in the industry, will fall somewhere in between these extremes.

While present policy is to avoid tariff cuts which would cause or threaten serious injury to the industry as a whole, it hardly seems reasonable to avoid reducing tariffs where a few individual high-cost producers may be hurt but where the bulk of the industry remains healthy and strong and able to take on all comers without any special assistance. In these circumstances to protect even the inefficient high-cost producers by maintaining high tariffs is grossly to penalize the domestic consumer without sufficiently significant gains in domestic production and employment. The domestic consumer will be forced to pay exorbitant prices merely to protect a selected few.

It should not be assumed from the foregoing argument that tariff cuts will necessarily injure even a particular producer. It may merely force that producer to become more efficient and eliminate wasteful practices in which he had previously indulged at the expense of the American consumer.

The United States has the highest standard of living in the world, due to our system of protective tariffs. Do you favor reducing our tariffs and forcing our labor to compete with the cheap labor of foreign countries such as India, China, et cetera?

The height of the United States standard of living is not due to a high protective tariff system. Tariff reductions

such as those which have been made under the trade-agreements program have not forced United States labor to compete with the low-standard labor of foreign countries such as India, China, and the rest.

The United States standard of living is based upon many things much more important than protective tariffs. These include vast natural resources, ingenuity, know-how, and enterprise on the part of American industry, agriculture, and traders, adequate capital and a generally vigorous domestic economy. Our foreign trade has been an important contributing factor to this situation. Our exports have made jobs and buying power in this country; our imports have supplied necessary materials for maintaining our industries and innumerable commodities which go into our standards of living.

Only a small proportion of the people of the United States who are engaged in gainful occupations could be affected by competition from foreign goods even if their tariff protection were withdrawn. They are far outnumbered by American producers who depend upon and benefit from our foreign trade, including imports. This applies especially to industries which are on an export basis, which are and have been successfully meeting competition from everywhere in the world and selling American goods in countries with far lower wage rates and living standards than those of the United States. Wages in these industries range generally much higher than wages in highly protected industries and the number of people who have jobs in them is far greater.

If we help backward nations to build their own industrial plants, do we (a) lose them as markets for our manufactured goods, (b) strengthen them as competitors in the world market, at our cost, and (c) tend to destroy the technological advantages we now have over other nations?

In helping underdeveloped countries to build their own industrial plants the American economy benefits and does not suffer if the industries established abroad are efficient and well suited to the countries in which they are set up. On the other hand, if economic conditions in the country in question are not adapted to the new industry neither this country nor the other benefits from its establishment.

To be economically efficient an industry in any country must have adequate access to raw materials, capable manpower and management, enough capital, and access to a sufficiently wide market with buying power. If it does not have these things it will either fail or be afforded "protection" through high tariffs or other means by its government. In that case the market is narrowed for efficient industries in the same line in other countries; the cost of the product is higher for the consumers in the country where the industry is located; and the volume of production and consumption are reduced. Everybody loses.

However, if a new industry does have the necessary advantages, it creates employment and buying power in the coun-

try where it is established and increases the demand for other imported products. That may mean a shift in the character of imports, but it also means an increase in the total market for imports. Even if a newly established industry does compete with us in the world market for certain products it enlarges the market for other of our exports. These advantages offset the possible disadvantages of sharing our capital and technological knowledge with other countries.

United States trade with the highly industrialized countries is and always has been far larger and more profitable than our trade with underdeveloped countries. It will continue to be so if the foreign industrialization is on a sound economic basis.

Have the trade agreements been used to help big business at the expense of small business?

No; trade agreements do not favor big business at the expense of small business.

It is not the size of a business, but its efficiency and adaptation to economic realities, that determine whether it can stay in business as far as competition with imports is concerned. The little fellow's market is almost invariably the domestic market. Exports by other industries, large or small, put men in jobs and give them buying power which makes them better customers in the domestic market for the products of either big or little concerns.

Trade agreements directly improve and enlarge foreign markets for all United States export products—whether made by large or small American businesses. This is true of many individual items such as filing cases, shoe polish, incubators, and so on. It is even more strikingly true in the case of agriculture—in which, probably, are engaged more American individuals and small operators than in any other industry. Whether a particular bushel of wheat, pound of tobacco, bale of cotton, or box of apples actually is sold abroad makes no difference in the fact that export sales of these commodities help to maintain the prices and markets for every grower of every unit produced. A major result of the trade agreements program has been the reduction of foreign barriers against American agricultural products.

Assuming that lower tariffs open foreign markets for American manufactured products, is this result achieved at the expense of American agriculture?

No. Proportionately, American farm exports have benefited more from reduction of foreign tariffs than have manufactured products. Foreign countries have provided concessions affecting over 65 percent of our agricultural exports, compared with only 40 percent of our nonagricultural exports. Among the agricultural products where substantial tariff and trade concessions have been made are leaf tobacco, wheat and wheat flour, canned and dried fruits, apples, pears, grapes, lard and pork, dairy products, and canned asparagus. Many countries have agreed to keep cotton on the free list. Furthermore, several major agricultural enterprises, such as the growing of cotton, tobacco, and wheat,

usually export larger percentages of their production than do manufacturing enterprises.

Outstanding benefits for agriculture, obtained through trade agreements, have included reductions or eliminations of numerous tariff preferences on farm products. These preferences are extended by some British countries to the products of other British countries but denied to United States farm products. Removal or reduction of these preferences puts American farm products in better competitive position with British products in the markets of the United Kingdom, Australia, Canada, and some of the British colonies. Some of them apply to such important United States farm products as wheat, pork and lard, and fruits, among others. For example, before January 1, 1948, apples from the United States imported into the United Kingdom from August 16 to April 15 each year, paid a duty of 3 shillings per hundredweight, while Canadian apples entered free. In the Geneva negotiations free entry into the United Kingdom for United States apples was obtained. In the 1939 agreement with the United Kingdom, the United Kingdom tariff preference on Empire wheat—6 cents a bushel—was eliminated.

In the Geneva agreement French and other tariffs on American wheat were sharply reduced. There were substantial reductions in foreign tariffs on American canned milk, dried eggs, tobacco, and cigarettes; all kinds of fresh, canned, and dried fruits; and many kinds of fresh, canned, and dried vegetables.

As important as foreign tariff cuts on American agricultural exports is the indirect gain to American farmers whose best customers in the domestic market have jobs in industries making manufactured goods which demand export markets. Foreign concessions on American manufactured products mean more job holders in American industry—more paying customers in the domestic market for American farm products—especially fresh fruits, vegetables, meats, and dairy products.

Tariff reductions from 1934 through January 1, 1950, averaged 50 percent for agricultural products and 53 percent for nonagricultural products. In 1947, average tariff duties for products actually imported and on which duties were paid were 20.6 percent for agricultural and 18.2 percent for nonagricultural products. This calculation, however, excludes tariff rates which were such as to prohibit imports.

Dutiable agricultural imports subject to tariff concessions including bindings of present rates from 1934 to the present amounted to 94.6 percent of total dutiable agricultural imports based on 1947 import statistics. Dutiable nonagricultural imports subject to concessions amounted to 96.7 percent of total dutiable nonagricultural imports.

A quota may limit imports far more than a tariff, yet it cannot be calculated quantitatively in the same way as average tariff rates. This particularly affects the comparison of agricultural and nonagricultural average tariff rates, since most of the quotas are applied to agricultural products. • • •

In view of these quotas, it is only possible to conclude that the average restriction on imports appears to have been reduced less for agricultural than for nonagricultural products. In other words in negotiating the agreements the State Department and other Government representatives have been particularly conscious of agriculture and while negotiating approximately equivalent tariff cuts have provided safeguards through quotas which have reduced the effect of the tariff cut. (Source: Agriculture, Trade and Reciprocal Trade Agreements, by Lawrence W. Witt, published by Michigan State College, June 1950.)

How serious has been the decline in United States exports and what have been the principal causes?

United States exports have been declining consistently for the past 4 years.

	United States exports	Decline from previous year
1947	\$14,252,000	
1948	12,494,000	\$1,758,000
1949	11,885,000	609,000
1950 (computed on the basis of 11 months)	10,000,000	1,885,000

The principal reason for this decline is, of course, the recovery from World War II and its aftermath on the part of many foreign countries which enabled them to either produce some of the goods they had been buying from the United States or buy these goods from some other country.

However, an appreciable portion of the decline in United States exports is accounted for by the fact that foreign countries prevented their citizens from buying United States goods because we were not buying sufficient goods from them to provide the necessary dollars. In other words, despite the large grants under the European Recovery Program during this period which supplied billions of dollars, most countries found it necessary to restrict their purchases from the United States because the United States was not buying from them. United States exporters and United States workers employed in export industries suffered heavily during this period because the country as a whole had still not learned that if we want to sell we must buy.

In view of the shortage of goods, why bother about trade agreements?

There will, of course, be goods to import. When people say there won't be any goods to import, they are merely loosely suggesting that compared with the present availability of goods there will be a shortage of many commodities in the future.

It is true, of course, that we are likely to experience increasing shortages of many commodities in the future. It is precisely under such circumstances, however, that lower tariffs may make a significant contribution. For, to the extent that lower tariffs increase the volume of imports into the United States, or decrease the costs of such imports in our domestic markets, they will contribute to restraining the antinflationary pressures with which we have to deal. Lower tariffs may thus help materially in meeting our shortage problems.

Furthermore, the trade agreements program in which the United States is now engaged involves not only reduced tariffs on our part but also reduced tariffs on the part of a great many other countries, including most of the countries of Western Europe. Such lower tariffs promote economic cooperation among these countries and stimulate their productivity—objectives we have labored hard to achieve. Under present circumstances where the free world is mobilizing to meet the threat of aggression measures strengthening the economic capacity of ourselves and countries friendly to us are ever more important.

We have heard a great deal about the dollar gap and the need for increasing our imports. Now that the dollar gap has disappeared, why should we bother about trade agreements? Are not we more likely to be concerned about keeping our exports high enough to pay for our imports, rather than the other way around?

In the first place, it is a misconception to believe that the dollar gap problem has disappeared. Despite the large increase in imports, chiefly raw materials for stockpiling and defense purposes, United States exports are still larger than imports at the present time. For the first 11 months of 1950 our exports were running at an annual rate of \$10,000,000 and imports at \$8,700,000. In fact, in only 2 months of the 11 of 1950 for which data are available did our imports exceed our exports. These were August and October. In November our exports again exceeded our imports by \$127,000,000, or by \$108,000,000 more than our imports had exceeded our exports in the preceding month. As the defense effort of the western democracies intensifies, the demands for goods from the United States are likely to increase while the capacity of other countries to export to us is likely to decline.

Our exports are still limited by controls imposed as the result of shortages of dollars. As these controls are lifted, the demand for our exports which they have restrained will be released.

Why should we endanger the home market which accounts for over 90 percent of our sales in order to take care of our exports which amount to less than 10 percent of our sales?

Although it is true that only about 10 percent of our total national production of all kinds of goods goes into exports, that 10 percent can make the difference between profit and loss for the national economy, just as a 10-percent share of its total trade can make the difference between success or failure for a given business or firm. The 10-percent ratio, furthermore, applies to the national total. There are much larger percentages for many of our most important and prosperous industries, such as the machine-tool industry, manufacture of agricultural machinery, trucks, and other products. The same thing is true about major agricultural enterprises, such as the production of cotton, wheat, tobacco, and pork.

There is a further aspect to this question as it is phrased—the implication that foreign trade endangers the domestic market. The fact is that foreign trade benefits and enlarges the domestic market. Exports provide jobs and buying power for American producers of export products, making them better customers in the domestic market for all kinds of American goods. Imports come into the United States only when and because American industry or consumers want them and need them and can buy them to better advantage than they can buy domestic products. Such imports cannot be said to endanger the home market.

The State Department usually contends that we should increase our imports so as to enable other countries to pay for our exports to them. Why should we not export just enough to pay for our imports?

The total prosperity of the United States would be considerably greater if both exports and imports were at the highest possible level rather than at a low level.

If we want to maintain our present high standard of living in the United States, we must maintain high levels of employment and of business activity. In order to do this, it is essential that we maintain exports at the highest possible levels. Every section of the United States produces quantities of goods seeking world outlets. New England supplies textiles, fine machinery, and hardware. The Middle Atlantic States export electrical goods, manufactures of metal, and medicinals. The South has greater supplies of cotton and cotton cloth, tobacco, lumber, and rayon manufactures than can be consumed within the United States. The Middle West efficiently produces an abundance of corn, pork, lard, dairy products, automobiles, and trucks. The West produces an ever-increasing variety of good in tremendous volume including aircraft, petroleum, motion pictures, fruits and vegetables, and merchant vessels. A high level of exports benefits the American economy by providing markets for certain industries seeking essential outlets abroad for their products, and also by giving American consumers the benefit of lower prices made possible through an increased scale of operations.

Of course, people in other countries are also very interested in seeing United States exports maintained at high levels. They look upon this country as the source of many essential items which are either unobtainable elsewhere or are of inferior quality when produced elsewhere. It is well known that foreigners would buy much more from this country if they could afford it.

In short, a high level of United States exports is essential not only to continued high levels of prosperity in this country, but also to supply peoples abroad with the goods without which, in some cases, they would find it difficult even to survive, and without which, in any case, they would be reduced to depressed standards of living.

Have trade agreements created United States jobs or thrown American workmen out of employment?

By stimulating exports of American products in past years and by increasing imports, trade agreements have been directly responsible for creating new jobs. To the extent that trade agreements have enlarged old markets for American goods or secured new markets, to the same extent they have created new jobs for American workers.

It is sometimes said that the additional employment created by exports will be offset by the displacement of workers through an increase in imports. This line of reasoning is based on the assumption that all imports compete with domestic production, which they do not. A large part of our imports are necessary to maintain existing production or are complementary rather than competitive. Some foreign goods do compete with similar American goods because they sell for less. If we attempt to produce these goods rather than import them, the price will be higher, consumption curtailed, and employment reduced. There is little doubt that the jobs gained by expanding exports will outnumber any jobs lost because of imports. Further expansion of foreign trade diverts labor and capital to more efficient uses and thus should enlarge the return received by both.

As everyone knows, our standard of living and our expanding economy are based largely on more and more efficient methods of production. Increased efficiency has increased wages and lowered prices so that this country is able to maintain a standard of living unequalled by any other country, and at the same time to provide well-paying jobs to an ever-increasing population. International trade is simply another means of producing a greater quantity of goods more efficiently.

The importance of exports as a creator of jobs in the United States has recently been dramatically illustrated. United States exports declined from \$14,252,000 in 1947 to \$11,885,000 in 1949. This decline in the sales of American goods abroad was accompanied by a decline in employment in this country. It was estimated by the Department of Labor that 2,400,000 Americans in 1947 were directly or indirectly employed in nonagricultural industries in producing goods for export. To this number should be added the many farmers producing cotton, tobacco, wheat, and so forth. In 1949 it was estimated by the Department of Labor that as a result of the decline in exports only 1,700,000 Americans were directly employed in nonagricultural industries producing export goods—a decline of 700,000 job opportunities. Furthermore this decline occurred in industries generally paying the highest wages in the entire United States economy.

If as a result of unforeseen circumstances and of a tariff concession imports do increase so as to threaten serious injury to domestic industry, action can be taken under the escape clause to modify or withdraw any concession to the extent necessary to prevent the injury.

What specific United States industries were affected by the decline in United States exports and to what extent were they affected? What unemployment was caused?

The decline in United States exports which occurred from 1947 through 1949 did seriously affect certain domestic industries. To some extent and in some cases the loss of sales abroad may have been absorbed by greater sales on the domestic market, but generally speaking the period in question was one of declining economic activity. The following statistics may give an approximate picture of what actually happened to some of the job opportunities in several industries:

Industry	Decline in exports 1947-49	Estimated decline in number of jobs attributable to exports 1947-49 ¹
	Percent	
Primary metal industries.....	32	65,000
Fabricated metal products.....	14	15,000
Machinery (including electrical).....	16	60,000
Transportation equipment.....	48	100,000
Stone, clay, and glass products.....	31	10,000
Fuel and power.....	43	25,000
Chemicals.....	213	35,000
Lumber and furniture.....	44	25,000
Wood, pulp, paper, and publishing.....	33	125,000
Textiles, apparel, and leather.....	47	60,000
All other manufacturing.....	34	40,000
Transportation.....		100,000
Trade and services.....		660,000

¹ Computed on basis of releases issued by the U. S. Department of Labor showing estimated number of workers attributable to exports for first 6 months of 1947 and for the year 1949.

² Increase.

Why has not the program been successful in lowering prices to benefit the public as it has been advertised to do?

One cannot claim that the effect of the trade-agreements program in all cases actually lowered the prices of imported commodities. One can say that the whole effect of tariff reductions is to make possible lower prices of imported products. This is true for two reasons. The removal of high tariff charges by trade agreements removes charges that would normally have been passed on to the consumer. Secondly, lower tariff charges permit greater importation, with resulting lower prices which is especially important in periods of short supply, such as the present.

It is not realistic to have expected the price of imported commodities to have fallen in recent years. Since the beginning of the trade-agreements program, the level of national income and, therefore, the general demand has steadily risen. The outbreak of fighting in Korea and the resultant expanded defense program has reinforced the demand for many commodities. For some of these, especially raw materials such as natural rubber, raw wool, tin, and copper, the supply cannot be increased as rapidly as the new levels of demand warrant, therefore, the prices of these goods rise sharply. These increases in prices, however, for the reasons stated at the outset, do not mean that the trade-agreements

program has been ineffective in keeping down the prices of imported commodities, only that other, more basic determinants of prices have outweighed the price-reducing effects of the trade-agreements program.

What has the United States gained under the general agreement?

The United States has gained the following benefits from the general agreement:

First. We have obtained tariff concessions which open up foreign markets for the products of United States industry and agriculture.

Second. We have obtained assurances of nondiscriminatory treatment in the application of tariffs and other trade restrictions against American goods. New tariff preferences discriminating against the United States are prohibited; existing preferences may be continued but not increased.

Third. We have obtained agreement that quotas, the most objectionable barrier to international trade, cannot generally be used. Certain exceptions to this rule have been permitted, such as quotas for balance-of-payments reasons, but the general agreement puts careful limitations on these exceptions and the parties have agreed to drop these restrictions when they are no longer justified under the terms of the agreement.

Fourth. We have also obtained safeguards on the use of internal taxes and other internal measures which are used to discriminate against our products and protect local industries abroad.

Fifth. The general agreement also attacks invisible barriers to international trade. Commitments designed to eliminate unnecessary and unduly complicated customs formalities and arbitrary systems of customs valuation have been secured.

Sixth. We have obtained a safeguard for our domestic industries in cases of possible serious injury from increased imports by the inclusion of an escape clause which allows us to withdraw tariff concessions, suspend other obligations of the agreement if necessary to prevent or remedy the injury. Also, there are provisions in the general agreement which allow us to use import quotas in connection with our domestic farm programs and export and import controls where our national security is involved.

Seventh. Finally, the general agreement has provided us with an international forum for the settlement of trade disputes. Insofar as it establishes a code of fair practices in the international trade field and encourages the settlement of differences by consultation rather than economic retaliation, the general agreement has eliminated a source of friction in international relations.

Does the GATT allow a country to keep itself perpetually in balance-of-payments difficulties so that it could continue to discriminate against us as long as it wanted to?

I presume you are referring to article 12 (3) (b) (i) which says that no contracting party shall be required to withdraw or modify restrictions for balance

of payments reasons on the ground that a change in domestic policies would eliminate the balance-of-payments difficulties and thus render unnecessary the restrictions.

I think the answer to your question is that, as a matter of strict legal right, if a country wanted to pursue employment or development policies which would keep it in balance-of-payment difficulties, the other contracting parties could not object under the agreement. However, the contracting parties also undertake to have regard to the necessity of establishing a sound and lasting equilibrium in their balance of payments, and, in dealing with their employment and development problems, to follow methods which will expand rather than limit international trade.

Moreover, no country can afford to keep itself in balance-of-payments difficulties. To do so means that it must deny its people the right to purchase things they want where they want to buy them. It means that it must deny its people things they want. Therefore, I am convinced that the natural national self-interest of countries will lead them to every effort to get themselves out of balance-of-payments difficulties as rapidly as they can. Certainly the efforts now being made by the OEEC countries to restore their international trade indicate that they are working hard to get out of these difficulties.

Finally, I do not think there is any country, including the United States, which would recognize the right of other countries to question its basic domestic policies.

What authority did we have to enter GATT and are we exceeding that authority?

We believe that the provisions to which we have agreed in the GATT are provisions which the President has authority to agree to under the Trade Agreements Act and his general power in the field of the conduct of foreign relations.

The provisions to which we have agreed were necessary to safeguard the tariff concessions that we obtained at Geneva. Otherwise these tariff concessions could have been nullified. The provisions in GATT are similar to those contained in the earlier bilateral agreements, which were inserted for the same purpose. The main difference is in the fact that GATT is a multilateral agreement rather than a bilateral agreement and the provisions are consequently more elaborate. In addition, world conditions have greatly altered since negotiation of the last bilateral agreement necessitating some further elaboration to meet these specific developments. In essence, however, precedents may be found for almost every general provision of the GATT in the provisions of the prewar agreements.

In some cases the provisions of the GATT differ from our own laws. In these cases we are not fully applying the GATT since it is in effect only provisionally and to the extent not inconsistent with the existing legislation of the parties to it.

There is nothing in the Trade Agreements Act which even suggests that the

authority to enter into trade agreements with other countries is limited to merely bilateral agreements. If we have the right to enter into a multilateral agreement, the authority is certainly broad enough to permit us to agree to general provisions which safeguard the concessions obtained in the general agreement.

What happens to the concessions we obtained in the general agreement now that action on ITO has been indefinitely postponed?

The concessions we obtained in the general agreement remain intact for the present. However, under article XXIX of the agreement, the contracting parties agreed to meet to consider whether the agreement should be amended, supplemented, or maintained if the charter of ITO had not entered into force by a certain date.

It appears unlikely at the present time that the contracting parties may wish to terminate the entire agreement under the provisions of article XXIX.

Other countries may, under the provisions of this article, propose modifications to the general agreement. Whether or not these modifications are accepted will depend upon the results of negotiation and the attitudes of the other contracting parties at the time the proposed modifications are made.

Such amendments as may be proposed under this article are not likely to directly affect the actual tariff concessions but may seek to change one or more of the general provisions of the agreement. To the extent that these general provisions safeguard the tariff concessions, such modifications might affect the tariff concessions we have obtained under the agreement.

Is the President trying to get the escape clause in the trade agreements that do not have the clause now?

Yes.

In October 1950, the Swiss agreed to the inclusion of the escape clause in our trade agreement. As a result of the Torquay conference three more countries with which we now have bilaterals will assume the escape-clause obligations, namely, Peru, Turkey, and Uruguay.

Now that it is clear that there will be no large-scale negotiations for accession to the general agreement during the next several years we will be able to move ahead in obtaining the inclusion of the clause in our bilateral agreements. In this connection two points may be made. First, one of our bilaterals, with Argentina, now contains a provision which allows escape in that it provides for termination of the agreement if the Government of either country feels that the other has adopted measures which have the effect of prejudicing the commerce or industry of the country desiring to consult. Second, it should be noted that because of the nature of trade between the United States and certain of the countries with which we still have bilaterals, the inclusion of the escape clause in those agreements is likely to be of greater benefit to the other countries than to the United States—for example, agreements in which we have given primarily duty-free bindings—cocoa,

coffee—in return for duty reductions by the other country.

The countries with which we have bilateral agreements not containing the escape clause—assuming accession to the general agreement by Peru, Turkey, and Uruguay—are as follows: Argentina, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Iceland, Iran, and Venezuela.

How much remains of the President's authority to reduce rates of duty by 50 percent from their level on January 1, 1945?

Statistically, using 1947 as a basis no reductions have been made in the level of duties prevailing on January 1, 1945, on 37 percent of United States dutiable imports, while on 44 percent of dutiable imports in that year less than 50 percent reduction has been made. The full 50 percent reduction has been made on 19 percent of 1947 dutiable imports. The following table shows the data:

United States dutiable imports for consumption in 1947, total and by extent to which rates have been reduced below Jan. 1, 1945, level.

	Millions of dollars	Percent of total
Total dutiable United States imports.....	2,206	100
Rates reduced below Jan. 1, 1945, level.....	1,383	63
Reduced full 50 percent.....	422	19
Reduced less than 50 percent.....	961	44
Rates not reduced below Jan. 1, 1945, level.....	823	37

¹ Also includes products on which the Jan. 1, 1945, rate of duty was bound in the General Agreement on Tariffs and Trade. A list of the principal items on which the duty has not been reduced below the 1945 level is attached.

In using these statistics it should be appreciated that they do not show the amount of bargaining power remaining under the authority nor should they be taken as an indication of the amount of trade on which duties will be reduced 50 percent or less than 50 percent in future negotiations.

The negotiating process is such that a binding of a rate at its existing level whether or not that level has been reduced in past trade agreements is a concession for which other foreign countries may be willing to give concessions in future negotiations. Similarly a small reduction in the tariff on one item may offer greater opportunity for trade expansion than a much larger reduction in the tariff on another item. The relative size of different imports in total United States import trade is also an unreliable measure of the importance of an item since a product which bulks small in our total trade may be of primary importance to the export trade of some smaller country.

On the other hand, the figures indicating how much authority to reduce tariffs has not yet been used cannot be taken as equivalent to an indication of how much usable bargaining power remains. There are items which would not be reduced unless some change were to occur in existing circumstances and conditions, including some which have not been reduced at all up to this point. Others which have been reduced only a little may already be at the lowest point

which would be consistent with domestic welfare at the present time or in the foreseeable future.

Principal dutiable import items on which no reduction has been made from 1945 level of duty

Tariff paragraph and commodity	1947 imports (\$1,000)	Principal supplier (1947)
1733. Crude petroleum.....	161,535	Venezuela.
1528. Diamonds, cut but not set, suitable for jewelry, except from Cuba.....	152,622	Belgium.
367a. Watches and watch movements.....	40,471	Switzerland.
1733. Residual fuel oil.....	35,086	Venezuela.
392. Lead pigs and bars.....	133,886	Mexico.
783. Raw cotton (principally 1½ inches or more).....	133,525	Egypt.
762. Castor beans.....	24,666	Brazil.
772. Tomatoes in natural state, except from Cuba.....	19,862	Mexico.
1507. Bristles, sorted, bunched or prepared.....	19,093	China.
502. Molasses not to be used for human consumption, from Cuba.....	14,954	Cuba.
38. Quebracho extract.....	13,905	Argentina.
393. Zinc bearing ores, except pyrites.....	11,816	Mexico.
394. Zinc blocks, pigs, or slabs.....	11,517	Canada.
1116a. Oriental hand-made woolen rugs at minimum ad valorem rate.....	10,977	Iran.
92. Vanilla beans.....	9,194	Madagascar.
706. Canned beef, including corned beef, at minimum ad valorem rate.....	8,683	Argentina.
1401. Uncoated book and printing paper.....	17,912	Canada.
391. Lead ores, except from Cuba.....	17,544	Mexico.
1205. Woven fabrics, all silk; over 30 inches wide; not jacquard; in the gray (except bolting cloth n. s. p. f.).	6,997	Italy.
701. Dairy cows, over 700 pounds.....	16,597	Canada.
19. Casein.....	6,240	Argentina.
1803 (1). Maple (except Japanese), birch and beech lumber, except flooring.....	5,920	Canada.
717b. Cod, etc., filleted, etc., under quota (ground fish fillets).....	13,985	Do.
367 (d). Jewels for watches.....	3,985	Switzerland.
369 (b). Motorcycles.....	13,945	United Kingdom.
1504 (b) (1). Palm leaf bats (Toquilla) not sewed, not bleached, etc.....	3,736	Ecuador.
783. Tulip bulbs.....	13,571	Netherlands.
367 (f). Watch cases.....	3,443	Switzerland.
718 (a). Tuna fish in oil.....	3,241	Peru.
1101 (a). All other wools not finer than 40's in the grease: Combing (worsted) type.....	3,171	Argentina.
1530 (c). Vegetable tanned goatskins.....	13,076	India.
1529 (a). Synthetic textile bat braids, valued at more than \$1 per pound at minimum ad valorem rate.....	3,035	Switzerland.
1102 (a). Wool, finer than 40's, not finer than 44's in the grease: Combing (worsted) type.....	12,041	Argentina.
1019. Jute bagging for cotton, gunny cloth, etc., not bleached, etc., weighing 16 to 32 ounces, per square yard.....	12,514	India.
757. Filberts, shelled.....	12,245	Turkey.
1803 (1). Mahogany, sawed, not further manufactured than planed, and tongued, except from Cuba.....	2,215	Mexico.
1530 (c). Reptilian upper leather.....	12,027	India.
718 (a). Anchovies in oil, valued more than 9 cents per pound.....	2,027	Portugal.
367 (e). Watch parts.....	1,946	Switzerland.
741. Dates, fresh or dried, with pits removed, in packages over 10 ounces.....	1,685	Iraq.
1203. Thrown silk.....	11,684	Canada.
1548. Moss peat, poultry and stable grade.....	11,248	Do.
1530 (c). Women's cemented shoes.....	1,259	Argentina.

¹ To be considered at Torquay.

Mr. MILLS. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee [Mr. EVINS].

Mr. EVINS. Mr. Chairman, the distinguished chairman, Mr. DOUGHTON, Mr. COOPER, and other members of his committee, the Committee on Ways and Means, have fully and completely presented this measure—so-called the Cordell Hull Reciprocal Trade Agreements Act extension—for our consideration today.

I wholeheartedly support the extension of the Trade Agreements Act as called for in the measure we are now considering. To feel otherwise would be contrary to my deep and abiding belief that the setting up of extreme obstructions to international trade only results in barriers of friendship between nations which can lead to war—and it is likewise my belief that in destroying, so far as it is possible and feasible, barriers of commerce and economic friendship among nations we are promoting and encouraging peaceful relations among the nations of the world.

As is generally known, Mr. Chairman, that great statesman, Judge Hull, of Tennessee, devoted many years of his life to a study of the problems affecting our trade and commerce with other nations and the reciprocal-trade-agreements program was and is the product of his handiwork and statesmanship.

Judge Cordell Hull was and is one of the greatest champions of peace of modern times. It was through the efforts of Secretary of State Cordell Hull that our great country was removed from the realm of the economically isolated and brought into the community of nations. This instrument, the Reciprocal Trade Agreements Act, has fostered peace, trade, and commerce among many nations, regardless of what others say to the contrary. I am pleased to support this measure and to urge its renewed adoption.

I recall some years back when the distinguished chairman, Mr. DOUGHTON, appeared before the committee to urge approval of a previous extension of this act that he said:

If Cordell Hull in all his long public career ever said or did an unwise thing, I never heard of it.

And the distinguished chairman has enjoyed a long and fruitful friendship and association with Mr. Hull and knows whereof he speaks.

The Congress first approved the Trade Agreements Act more than 17 years ago. The soundness of that program has been proved over and over again by the fact that, with very few changes and alterations, it is today the same program as envisioned by Mr. Hull, its author.

Under the operation of the act, this nation—despite the intervening tragedy and misfortune of a world war—has attained a prosperity never before achieved by any nation on the face of the earth. The contribution to our economic prosperity which has been made possible by this great act cannot be estimated alone in dollars and cents—though the statistics which may be presented show such economic gains to be tremendous. The full estimate of the accomplishments made possible under the Reciprocal Trade Agreements Act must also be measured in terms of international good

will and friendships which our Nation has earned—friendships which have developed into alliances in our military interest.

Mr. Chairman, I speak for the farmers of my district, the manufacturers, and all the people, when I strongly urge the approval of a further extension of the Trade Agreements Act. It has meant so much—it will mean so much more in the future for commerce, for good will and for the prosperity and well being of the people of the United States. I trust this measure will be speedily approved and the Cordell Hull reciprocal trade agreements program extended.

Mr. REED of New York. Mr. Chairman, I yield such time as he may desire to the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. Mr. Chairman, the Republican Party has always stood for just reciprocal trade agreements, agreements that give reciprocal benefits to both sides. We still are for this doctrine, but we want it to be conducted openly, and with full consideration for the interests of the working people of this country.

The basic and all-important problem to be considered in lowering and adjusting tariffs is the question of what we are doing to our own people and what we are doing to their security and their jobs. World trade should be encouraged, but the reciprocal trade program should be managed in the interests of the American people. In reducing tariffs to help economic prosperity throughout the world we must not take the lining out of the pocketbooks of the American people.

When the reciprocal trade law is extended by Congress it must contain provisions to safeguard and protect the jobs, the homes, and the high living standards of the American workers, male and female. Legislation extending reciprocal trade must contain the peril-point provision to protect American labor and industry.

The Republican Eightieth Congress enacted a Reciprocal Trade Agreements Act which contained the peril point. This gave workers protection against losing their jobs through the importation of competing foreign manufactured goods, either duty free or at such a low tariff rate as to enable the importer to undersell comparable and better made American products.

We all know what happened to many segments of American industry in 1949 and 1950 when the American producers lost the protection of the peril point amendment.

Unemployment was widespread in many sections of the country, all caused by the flood of cheap goods coming from abroad. The watch industry of the United States was practically wiped out. Thousands in the pottery industry, in hat making, in shoe manufacture, in rubber goods, in the textile manufacture, lost their jobs in 1949 and 1950. New England was particularly hard hit by the influx of foreign made goods, and the damage of the administration's cheap and unprotective tariff policy swept across the Nation to the Pacific coast, affecting the lumber, fishing, and fruit

and nut industries with their thousands of employees.

There is hardly anyone in the United States who does not want to see Europe, Asia and the other parts of the world restored to the positions they once occupied, and their people again enheartened by hope and faith. American taxpayers through their toil and effort have spent billions of their dollars for the rehabilitation of the war-torn globe. Surely no one can accuse the United States of failing in this objective. But how can the United States help the world unless we ourselves are prosperous? Reciprocal trade legislation which is not reciprocal to the United States could wreck American trade and economy. The administration's management of the reciprocal trade program in 1949 and 1950 proved the dangers to the future of American industry. If the United States is wrecked, to whom then will the rest of the world turn?

The reciprocal trade policy of the administration is filled with fallacies. The United States is engaged in a global fight against communism, and the people have generously put up their money to carry on this battle. But while we are trying to curb the Reds on one hand, we turn around and build up communistic countries with the other. A large percentage of the cheap foreign imports which caused the doors to close on American factories come from countries behind the iron curtain.

This extension of the reciprocal trade law is for 3 years. Under the administration's program for the next 3 years, the workers and manufacturers in foreign lands are to be favored at the expense of a large segment of American industry.

We can continue our world trade program without the menace and fear of unemployment at home. We can do that by adopting the peril-point amendment. This is a simple provision but a most important one to hundreds of thousands of our workers. The peril-point section merely provides that the Tariff Commission must certify to the President tariff reductions which have reached the point where they imperil American jobs and American industry. Then it provides that if the President decides to go ahead and lower the tariff, he must so notify the Congress and explain to the Congress and the American people and those whose jobs will be imperiled the reason why he is taking such action.

Certainly Congress, the people, and above all thousands whose jobs will be threatened, have a right to such information. This is a wise and sound provision that should be restored to the Reciprocal Trade Act.

We are considering a tariff act designed to last for 3 years. None of us knows what these years will bring, peace or war. The administration is most anxious to aid world economic recovery and increase trade with other nations. I ask why the administration is not as anxious to make sure within the next 3 years that goods manufactured by slave labor behind the iron curtain will not cause the collapse of American industries and the loss of employment to our workers?

I understand, of course, that with allocations and controls in effect a reciprocal trade issue right now is academic. We can sell all the goods we can manufacture. But these war conditions may not last. I hope they do not, because they would ultimately bring destruction to all of us. And when this feverish war preparation abates, we may well find that we have legislated ourselves into a situation where factories will close and millions of people will be thrown out of work. We must take the necessary safeguard now.

Why is it too much to ask the President to tell Congress why he is lowering tariffs? Congress, under the Constitution, was entrusted with the establishment of tariffs. It should and must for the benefit of our workers retain control of these constitutional rights.

This is not a partisan fight. It is an American fight. It is a fight that must command the interest of scores of little industrial concerns in New England. It is a fight that must appeal to the coal and pottery workers of West Virginia and Ohio. It is a fight of vital concern to the agricultural sections of the West and the dairy farmers of the North. It is a fight of deep interest to the lumber, fishing, and fruit industries of the west coast. It is a fight of concern to the sugar, cotton, peanut growers, and other industries in the Southland.

Yes; it is an American fight, and what we do here now may well fix the responsibility for the prosperity or lack of prosperity of the American people 2 or 3 years hence.

Hundreds of thousands of American boys and men are being drafted into the armed service to hold back the menace of Communist aggression. These servicemen will need jobs when they come home. We all have the responsibility to see that they have work, and adoption of the peril-point amendment is the best means of assuring them that they will again have jobs at American wages.

It will benefit these men very little if they turn back Communist aggression abroad only to fall victims to economic aggression at home.

Mr. MILLS. Mr. Chairman, I yield 16 minutes to the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, the demands of today, the uncertainties of the future, make a sound economy a "must" for America. This is no time for economic experiments. To depart too far from sound procedures is to invite disaster.

If we are to be the bulwark of civilization and the protector of world democracy; if we are to succeed in setting up an adequate defense pact for the free nations of the world, we must realize that our armed strength will be no better than the economic strength we can and must put behind our efforts.

In the consideration of H. R. 1612, to provide for extending certain trade agreements, which will expire in June 1951, we are dealing with one of the vital factors of our economy. When we lower import duties, we curtail Government revenues. To say nothing of our loss of purchasing power and the ability of our

workingmen to pay a greater part of their income into the Federal Treasury as a tax. An idle man is an economic liability not an asset.

In 1945 and again in 1949, when these trade pacts were up for periodic renewal, I carried on a losing battle on the floor of the House to protect the interests of the industries and the workingmen of my district, particularly those employed in handmade glassware, pottery, and woodworking plants.

West Virginia has suffered more from this legislation than any of the other 48 States. It is the center of the glass and ceramic industry which was among the first to feel the brunt of foreign competition. In the past few years our two most basic industries, coal and crude oil are threatened. Other industries, too, are finding it increasingly difficult to maintain wage levels, working hours, and many other conditions of employment.

I have said and I repeat, Mr. Chairman, I object to the State of West Virginia being made a guinea pig for further experiment. The experiences learned in 16 years since the inception of the reciprocal trade idea in 1934 is such that one is forced to the conclusion that my own State's economy will be destroyed by the extension of the existing act. Particularly, is this true, if the renewal carries the authority to any Government agency to grant further tariff cuts and if the so-called escape clause, now the figment of someone's imagination, is not liberalized and legalized by being written into the language of the basic act itself.

At no time since the enactment of the Smoot-Hawley Tariff Act in 1930, has our Nation, or for that matter, the world itself, functioned under normal conditions. Things were abnormal in the early thirties because of a world depression. They were abnormal in the early forties because of a great world war. They are abnormal in the early fifties because of the dire threat of a third world war. What I want to say, Mr. Chairman, is that the Reciprocal Trade Act has not demonstrated that it is an asset to our national economy. It has never had to meet the impact of normal world competition under normal conditions.

If our national economy is to be a sound economy, we must maintain a favorable trade balance. Our exports must exceed our imports. Only on 2 occasions in the past 16 years, have we approached periods of normalcy. In the years just prior to World War II, we witnessed a sudden increase in foreign imports. American-made goods were in some instances, driven out of the markets. We then had more imports than exports. This was the first test of our reciprocal trade policy. Conditions were rapidly approaching normal. Pre-war and wartime defense activities in the late thirties halted this trend and a new cycle of abnormal conditions gripped this country.

Another approach to normal levels, came in mid-1950, only to be again interrupted by the Korean War emergency. It is interesting to note, Mr. Chairman, that in both these instances as we came near to normalcy, we were faced with a gradual shift in our trade balance. In

the month of October 1950, we faced an unfavorable trade balance when imports exceeded exports for the first time since 1939.

In this connection, Mr. Chairman, I should like to call the Committee's attention to the fact that had we not taken credit for approximately \$100,000,000 monthly of exports synthetically created by the use of the Marshall plan funds, we would have encountered an unfavorable trade balance for most of the year. What is the answer when ECA funds stop flowing to Europe? The answer is plain—a continuing trade deficit.

I wish to protest the use of ECA funds as direct aid to foreign industries in modernizing their plants that manufacture goods for import into this country. The extent of this practice cannot be determined at present. Here are two instances as proof of what is going on in the ECA. The first is a project in Germany, where the Glaswerke Ruhr, Essen-Karnap, which produces 20 percent of all hollow glassware in the Republic of Germany. A direct grant of \$1,837,000 plus \$212,000 in ocean freight has been made from Marshall plan funds. Modern American machinery and equipment is being installed and will be in direct competition with the products of three glass plants in the city of Weston in my district. Two thousand workers are employed in the German plant. Their hourly wage is 31 cents per hour as against an average wage of \$1.42 per hour in American plants. This plant is exporting 6,000 tons annually and most of it is intended for the American market.

Another project, also in the field of glass production, is underway in Greece, where a grant of \$1,832,000 has been made to the Hellenic Chemical Products Co. This is for the purpose of boosting the output of this plant by 70 percent and a huge surplus above local needs will be available for exports.

Plans are also underway for a similar project to modernize and rehabilitate the French glass industry. How much more of this kind of competition which is made possible by the American tax dollars can our industry endure? I am getting d—well tired of voting money to create jobs for the workmen in Europe and in so doing cause unemployment in this country.

England has been able to restore the British pound and to stabilize her economy by exporting double the amount of her imports. If we are to have a sound dollar and a stable economy, we could well follow Britain's policy. Her position in the United Nations Council in opposition to economic sanctions against Red China is in line with her policy of placing economic greed above political obligations. Yet, we go on extending her trade concessions and direct economic aid under the Marshall plan.

Official statistics of the United States Commerce Department for the year 1949 show 12,071,000 pieces of table and art glassware were imported into this country. The total foreign value of these imports was \$2,940,400, or a monthly average of 1,006,000 pieces of glassware. Now, let us see what happened in the last half of 1950. For the month of June the total

pieces imported jumped to 1,646,000 and by the month of August had leaped again to 2,895,800 pieces. Where did these imports come from? Czechoslovakia and Poland, both of which are behind the iron curtain, were the worst offenders out of a total of 15 countries that import this type of glass into our country.

Typical of this kind of business is the pottery industry. Rates of duty on nearly all of our products have been decreased a full 50 percent below those in the 1930 Tariff Act. The rates in that act were wholly inadequate to enable us to meet foreign competition, as witness the steady and rapid increase in imports of all types of dinnerware from 1931 to 1938. During all those years and before the rate reductions in the British treaty had any effect Japanese china of good quality was selling at retail at less than the cost of production in American factories.

Since then, in spite of our protests, duties on both china and earthenware have been lowered in trade treaties with Great Britain, Mexico, Italy, Czechoslovakia, and France. All such reductions have, of course, applied to our imports from Japan and Germany since the war. The inevitable result has been that imports of dinnerware and fancy goods from all of these countries have increased just as fast as they have been able, with the use of our money, to get productive facilities back into operation.

Just as inevitably did production and employment in American factories show a steady decline from early 1949 to August 1950. Since early in July of last year, evidently as a result of the Korean War, sales of nearly all civilian goods and particularly housewares have increased substantially and the potteries generally have been reasonably busy. It must be admitted that this is an abnormal situation and through our experiences of 1949 and early 1950, we have no delusions of what is going to happen to us when we are really at peace.

Statistics, which I have received from the United States Department of Commerce on household chinaware and kitchen articles and on earthenware and china art and decorative articles, are more alarming. In these two categories, imports for 1949 were 9,392,000 dozen with a foreign value of \$14,943,000. The average monthly rate was 773,000 dozen. Let us see what it was in the last half of 1950 when we had more imports of all kinds than we had exports. In October, imports jumped to a total of 1,636,000 dozen. This was 2½ times above the monthly average for 1949.

Total sales of all domestic potteries were \$77,500,000 in 1948. In 1949, they were \$64,000,000, or a drop of 17 percent. During the same period, imports of competitive products increased 24 percent.

For the first 6 months of 1950, our sales were down more than 25 percent from 1949, and imports were up over 30 percent.

During the last 3 months reported by the United States Department of Commerce, August, September, and October of last year, imports of all dinnerware and fancy goods were 65 percent above the same 3 months of 1949. China din-

nerware alone increased nearly 79 percent and art wares increased 72 percent; and practically all of this increase came from Japan and Germany. Without the sudden upsurge of buying by the American public during the past 6 months, it is not hard to see what would be happening to our pottery industry. Because in directly comparable ware, the retail price of the Japanese product is less than one-half the American.

It is interesting to note in this connection, that the British Pottery Board of Trade just recently wrote directly to General MacArthur, urging that he do something to decrease the Japanese exports of china to the United States or increase the prices; or the American market for British china would be ruined.

One other instance in which my State of West Virginia is being harmed in this manner is found in the spring clothespin industry. We have the largest plant of this kind in the world. Let us look at what happened in the year 1950 when the Korean War emergency came on. The country of Sweden is our main competitor. In the year 1949, she imported 614,000 gross of this type clothespin. In the month of October 1950 the rate of imports was 193,000 gross or an annual rate of above 2,000,000 gross.

Highly tempered steel is required in the manufacture of these clothespins. Now that we have frozen steel for essential use, our domestic producers are handicapped and lose their market to Swedish producers. This happened in World War II when imported clothespins sold for 49 cents a gross and it cost 83 cents to manufacture the same article in our plants in my district.

I want to cite another instance where my State's producers are handicapped in the recent freeze order on cobalt. This material is used by glassware producers for coloring. It is grossly unfair to permit the use of this product by foreign producers who are in a position to take over the American market. These two instances are, I think, a strong argument for the imposition of import quotas so as to protect American producers from the loss of their market.

Another sector of my State's glass industry is now feeling a sudden impact of imports. I now refer to the sheet glass—window glass—industry where we are facing increased imports of Belgium glass as high as 400 percent. Czechoslovakia has in recent months flooded our domestic market with lightweight sheet glass used for scientific and pictorial purposes. Here the imports are 50 percent above the total domestic production of this type of glass.

Coal is king in West Virginia. It is our State's major industry. Our greatest source from which to get taxes for the support of our lesser governmental units. Anything that harms the coal industry harms our economy. The same can be said of the oil industry, another of my State's basic industries. The major part of our oil is independently produced and it is here that we find this industry threatened with extinction by the mounting and uncontrolled imports of crude oil from the Near East, Mexico, and Venezuela. Importations are in excess

of 1,000,000 barrels daily. Imports in excess of 450,000 barrels daily causes a curtailment of domestic production. This causes unemployment and a loss of purchasing power of thousands of employees in the industry. Profits are wiped out and a stable sector of our economy crippled with a resulting loss in tax revenues to the Nation and to the several States.

Coal is affected indirectly in that it is losing its markets to cheap residual fuel oil produced from the crude oil that is flooding our markets through import duty concessions granted under these reciprocal trade pacts. For years, my State has enjoyed a lucrative market for coal in New England and on the eastern seaboard. In the year 1948, we sold 21,000,000 tons. As the result of competition from these cheap oil products, our sales in 1949 were down to 13,000,000 tons. In 1950, the trend was still downward. During most of 1950, a large part of our mines were either idle or working on a part-time basis. The Korean War emergency by creating added demand for fuel, has improved this situation, but this is only temporary relief. The basic danger still remains as a threat when the emergency passes and we get back to normal.

We cannot escape the fact that this situation is brought on by the activity of five of our major American oil companies, who hold and operate the concessions abroad. Testimony taken before a House subcommittee of which I was a member, showed that the cost of producing a barrel of crude oil on these concessions in the Near East, was 41 cents per barrel as compared to \$2.65 the cost of production in this country. Out of this 41 cents of original cost residual oil represented 17 cents per barrel after the gasoline, lubricating oils and other distillates were removed. This residual oil was sold under contract for \$1.60 per barrel. Four barrels of this oil has the same B. t. u. as one ton of West Virginia coal. Now this means that four barrels of oil sold at \$1.60 a barrel or \$6.40, displaces a ton of coal that cost to produce in our mines in West Virginia, plus transportation costs, a total of \$10.95.

It is easy to understand the earnings report of those large oil companies when we see the profit coming from a product that costs 17 cents per barrel, being sold for \$1.60 per barrel. Yet, we go ahead with a trade treaty that allows these monopolies to make millions annually while exploiting and controlling the domestic oil industry to the detriment of all independent producers. If we are to extend these trade pacts for another 3 years, then we must in justice to our own producers, find some way to limit these imports.

Mr. Chairman, when the initial Reciprocal Trade Agreements Act was adopted in 1934, the administration had the active support of the Nation's three great labor groups and at least a tacit acceptance from the country's leading industries. That situation does not exist today. As a member of a Subcommittee of the House Committee on Education and Labor, taking testimony on the effects on employment in this country as a result of mounting imports of oil from the Near East and Venezuela and Mexico, I heard our reciprocal trade

policy roundly denounced by representatives of both the oil industry and the coal industry. They were joined in this denunciation by both the oil workers union and by the United Mine Workers Union.

Only recently, the Nation's largest union group, the American Federation of Labor, at its national convention, Houston, Tex., adopted resolutions of protest against unfair wage and labor conditions as a result of the operation of our Reciprocal Trade Act.

A danger to our basic economy, as well as to our national existence, is found in the so-called favored nations agreement which not only extends concessions granted to one member of the reciprocal family and to other members, but also permits a nonagreement nation to take advantage of our tariff concessions.

As a result of the most-favored-nation principle, reductions in duty and other concessions made by the United States with all countries under the trade-agreement program are automatically extended to Russia, Communist China, and all other Communist-dominated countries. We now have trade agreements with approximately 45 free countries covering literally thousands of imported items, and the benefits of all these concessions contained in these agreements are now benefiting Russia, Communist China, and their satellite iron-curtain countries.

In the case of Russia, for example, approximately 88 percent of its dutiable imports into the United States benefit from reduced rates provided in trade agreements by us with free countries and 92 percent of the tax-free imports from Russia consists of products bound on the free list in trade agreements with free countries.

In the case of Communist China, 72 percent of the dutiable imports into the United States from that country benefit from trade agreement concessions granted by us to free countries, and 75 percent of the duty-free imports of that country benefit from our concessions to the free nations.

In conclusion may I impress upon my colleagues the fact that the so-called escape clause now in use, and which is not a part of the basic Reciprocal Trade Act, is nonworkable and unfair. If we are to renew these trade agreement pacts, it is essential that the act itself spell out in plain English what avenues of relief are available to harassed domestic producers. At present the State Department has arrogated the authority extended the President to provide safeguards by writing into existing reciprocal pacts an embargo on setting up of import quotas on all products except certain agricultural products. In doing this they have acted without the authority of law, and any remedy aimed at relieving any domestic producer injured by the operation of the trade pact must be a part of the basic act itself.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from Kentucky.

Mr. PERKINS. I would like to ask the gentleman if his statement is correct that there is no provision in Public

Law No. 316 spelling out the escape clause.

Mr. BAILEY. There is no provision in the basic act for an escape clause.

Mr. PERKINS. What cooperation has the gentleman received of the State Department in considering a basic industry such as coal when residual oil is in competition with such a basic industry?

Mr. BAILEY. Well, I have never gone to the State Department with it, but I tried it out in the case of clothespins, and I got a royal brush-off, and I assumed I would get it in regard to oil just the same as I did with clothespins.

Again, Mr. Chairman, I could call the attention of my colleagues to the necessity of abrogating at once the existing trade agreement with Czechoslovakia. No defense can be offered by the Congress for our continuing favor to a Russian satellite nation. I shall, Mr. Chairman, if the opportunity affords, offer amendments aimed at strengthening the escape provisions of this legislation and to direct the President to terminate the existing treaty with Czechoslovakia on the terms and in the manner set forth in the act itself.

(Mr. BAILEY asked and was given permission to revise and extend his remarks.)

Mr. REED of New York. Mr. Chairman, I yield such time as he may desire to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, I am going to make a few realistic comments in regard to the extension of the Reciprocal Trade Agreements Act. Our own position as a Nation and our national security are at stake. It is time that we stop theorizing and take a look at the facts.

The reciprocal trade-agreement program was sold to the American public as a program which would promote trade and world peace. In my opinion the trade agreements during the thirties, prevented the recovery of the American price level and kept the United States in a state of depression. With the United States in a depression the world could not get back to a state of prosperity. The poverty created by low prices made it possible for Hitler, and his ally, Mussolini, to lay the groundwork for World War II. Instead of promoting peace the trade agreements promoted war.

In the period following World War II our price level has increased about 80 percent and the hourly wage of our industrial labor has increased in proportion. On the other hand much of the world has come under Soviet influence and England through its socialistic policies and devaluation of the pound has held their wage level to about one-third that of the American worker. This differential in prices is very dangerous to our national security and a policy of free trade without any protection for our national economy is the best aid and comfort that we can give to communism.

Just before the close of the Eighty-first Congress, I made a brief statement as to the need of equity in trade and pointed out that we cannot have peace when one neighbor cheats another—page 15328, September 19, 1950, CONGRESSIONAL RECORD.

Let us briefly examine our own economy. Our national income is created by our unit production of goods and services times the price per unit. In the last quarter of 1950 our national income was running at a level of \$254,000,000,000. At the present time a drop of 10 percent in our price level would mean a loss of \$25,000,000,000 in national income.

Under a free-trade policy, Russia by dumping her products on the world market can break our price level and bring about the economic chaos that will destroy our American system from within.

At the present time we are engaged in a program of military preparedness. We find ourselves short of strategic materials—copper, lead, zinc, manganese, tin, and so forth. Why are we short of these products? We are short of these products because we destroyed our own production under a concept that we could import them cheaper from other nations. After World War II, the price of our domestic strategic materials was permitted to drop, and our domestic mines closed by the thousands. They could not compete with cheap foreign labor. Even, at this moment, the administration has not taken definite steps to produce these materials for national defense. Our whole economic structure is being threatened by shortages and our military program is faced with dangerously small stockpiles of these critical materials.

In case of war, Russian submarines can, and no doubt will, prevent the importation of a mighty lot of these materials—just as Hitler did in 1941 and 1942—and without them we would be unable to defend ourselves. The Eightieth Congress passed legislation to provide for the production and development of strategic materials in the United States. The President vetoed the bill. Other attempts have been made to pass similar legislation and such legislation has always been sidetracked because it conflicted with the theories of the reciprocal trade agreements. Because of our we-give-and-you-take trade-agreements policies we have been prevented from producing the very things so vitally needed to defend the United States let alone the jobs and income that could have been created by the production of strategic materials.

Speaking frankly, the result of their operation is clearly that of economic suicide for the United States.

Let me next point to what is taking place under these trade agreements. We find England engaged in an economic war with Argentina. The low-wage level in England requires cheap products if they are to buy from other nations. England at the present time in trying to force Argentina to sell chilled beef for 17 cents per pound. Think of it in comparison with American prices. To bring Argentina to her knees, the British Government has rationed her people to about one-half of a pound of meat per week and the issue threatens the stability of the English Government.

On the other hand, England is making us pay through the nose for rubber and tin, the production and sale of which is controlled by the British Government. This policy of buy cheap and

sell high, is the very source of communism and socialism.

We cannot expect to sell American products to Argentina produced with industrial labor at \$1.51 per hour and then have other nations buy their meat for 17 cents per pound. They cannot possibly trade with us even though we remove the few tariffs that remain.

Therefore I hope that this Congress will take steps to discontinue the present trade-agreement program and give the world a program which will promote equity of trade. How can we do this? It is not a complicated program. We should notify the rest of the world that we are going to protect our price and wage level at the point of national solvency. Second, that we are willing to trade with any nation in the world and pay them a comparative price for such products as we may need.

For example, if a tractor produced in the United States sells for twice the number of dollars that it sold for in 1925–29, the last period of any semblance of world stability in foreign exchange, then we should stand ready to pay twice the price level for existing imports at that time.

China, India, South American countries, or any other nation does not like to be cheated in trading their products because of currency devaluation or low prices such as England is trying to force Argentina to accept.

As a Member of Congress, I want the American worker to have a good wage in line with the American cost level for goods and services. I am also willing that we agree to pay a comparative price for anything we may need in the way of imports.

During the past year, in the third quarter September to October, our foreign trade was in balance for the first time in many years. What brought about this balance? It was not the trade-agreement program but a price for world raw materials at the American level. Other nations by selling us their products at a proper price level were able to earn their dollars, which we have been forced to donate under the Marshall program mainly because they are forced to sell their commodities at starvation prices.

In my opinion the nations of the world would welcome this kind of program. After centuries of exploitation they would welcome a price for their products that will permit progress, economic development and a higher standard of living.

Had we followed such a policy, our domestic mines would be in production and our stockpile of strategic materials would be ample for our needs. We would not be in a position of shortages which tend to disrupt our domestic economy and force many business institutions to curtail their production even to the point of closing up entirely and throwing our wage earners out of work by the millions, except during periods of war production.

With such a program we could give the world true economic leadership in building a foundation for world peace. A continuance of our present trade agreement policy will continue the exploita-

tion of weaker nations and undermine both our national income and the domestic production we will need in the future to protect our Nation and our American system.

Why permit politics and past mistakes to continue a program that has so utterly failed to achieve any of the glowing promises which its proponents made 15 years ago? A continuation of the program will perpetuate the economic confusion in the United States and the world. To me it is the greatest threat to the future of your Nation and mine.

In closing, I want to repeat again that a drop of 10 percent in our price level means a loss of \$25,000,000,000 in income. We cannot afford to risk that loss nor the loss of production through unemployment that would result. We can have national security by tariff protection up to the American cost level and we can buy all the things we need in addition to our own production by paying a price for our imports on a basis of equity with the price of things we wish to sell to other nations.

If we deal fairly with our neighbors in trade relations as I have here suggested, we will make good and lasting friends all over the world, instead of giving them hand-outs which belittles them and will bankrupt America.

Mr. REED of New York. Mr. Chairman, I yield 15 minutes to the gentleman from Iowa [Mr. MARTIN].

Mr. MARTIN of Iowa. Mr. Chairman, the present authority of the President to enter into foreign trade agreements under section 350 of the Tariff Act expires June 12, 1951. If enacted into law, H. R. 1612 will extend the authority of the President for 3 years from the expiration of the present authority. Because of the importance of reciprocal trade as an issue before our Nation, I voted in committee in favor of bringing the bill, H. R. 1612, before the House for consideration, but I do not want anyone to think for one minute that I approve of all the provision of the present law.

I vigorously support the views that the peril-point provisions established by the Trade Agreements Extension Act of 1948 be reenacted; that certain standards be established by Congress for the guidance of the President in determining relief under the escape clause; that the President be directed to prevent the application of reduced tariffs and other concessions made in trade agreements with the free nations to imports from Russia and Communist China and to imports from any Communist satellite country, including North Korea, which the President finds is part of a conspiracy against the free world, and I believe sincerely that the Eighty-second Congress should not extend any trade-agreement authority of the President more than 2 years as we should leave the extension of authority beyond June 12, 1953, to the Eighty-third Congress.

The determination of the peril point and the furnishing of such information by the Tariff Commission to the President, together with the President's report of any concession going below the peril point and the reasons for going beyond the peril point, all combine to

furnish our people with information to which they are most certainly entitled.

I can see no valid objection to the establishment of some standard of safety for the guidance of the President in determining relief under the escape clause. No change in the escape clause is suggested, but the people of the United States affected by the trade agreements have a right through Congress to name standards that are fair and effective guides for the President in the matter of securing relief under the escape clause.

It strikes me as utterly absurd to extend the so-called most-favored-nation treatment to Soviet Russia, Communist China, and the Communist satellite countries at this time. The antagonism of these countries for the United States and their determination to inflict all possible damage on the free world clearly disqualifies them for any reduction in tariff or other concession on imports from those countries. In fact, I personally would go further and deprive any country of such trade advantages if that country persists in supplying strategic and critical materials to Soviet Russia, Communist China, and the Communist satellite countries.

The record of shipments of rubber to the Soviet bloc is of particular interest on this point, and I include here a statement dated January 19, 1951, that I have today received from the State Department. I hope the Members of the House may have time to analyze the fallacious reasoning indulged in by the State Department in support of their surrender to foreign-trade policies of other countries inimical to our defense.

SHIPMENTS OF RUBBER TO THE SOVIET BLOC JANUARY 19, 1951.

Since statistics concerning shipments of rubber to the Soviet bloc are public information and readily available, the question often is asked why the shipments are not halted. This is a perfectly natural reaction but overlooks very practical problems.

At the present the rubber trade is entirely in private hands in all major producing territories. News stories dealing with shipments of rubber to the Soviet Union frequently are somewhat misleading to their use of the term "British" since there is an implication that the British Government is the exporter of the rubber in question when, as a matter of fact, the shipments are made by private traders.

Although to date the Soviet bloc has bought almost entirely from Malaya, other countries of southern and southeast Asia, any one of which produces sufficient rubber to meet the estimated needs of the Soviet Union and its satellites, remain as potential alternate sources not controlled by the British or any other Western European country.

If either the British or the Malayan Government acted alone to restrict rubber shipments to the Soviet Union, it might only penalize its own trade without causing the Soviet bloc any significant inconvenience. It would be extremely difficult politically for either Government to impose export controls if the only effect of such controls were to drive Soviet and Chinese buyers to other markets. It also is true that controls confined to Malaya would provide Communists there with an opportunity to claim that because of the country's colonial status Malaya was being prevented from participating in the prosperity which Soviet purchases of rubber were bringing to other territories free of foreign control.

Controls imposed unilaterally by Malaya would be difficult to enforce. Each month, on the average, approximately 5,000 long tons of rubber are smuggled from Indonesia to Singapore as a matter of routing to evade Indonesian export taxes, and the direction of smuggling might be reversed if it became profitable to do so. Measures to prevent rubber from reaching the Soviets would require intergovernmental agreements among at least 5 governments which would have to control exports from the major natural rubber markets of the world. Enforcement measures required to make the agreements even moderately effective would include export controls in producing and marketing centers and intensified police activity throughout the rubber-producing territories and their surrounding waters.

It should be pointed out that even if measures of export control should be adopted in all major producing or marketing areas, it still would be extremely difficult in the absence of open hostilities to prevent the USSR and its satellites from receiving natural rubber. The efficacy of such measures in at least certain of the rubber producing areas is a matter for serious doubt. The Soviet bloc purchases not over 10 percent of the world's annual production; and if necessary in the face of control measures by exporting countries, it probably could obtain rubber by a smuggling operation of only moderate size for Southeast Asia.

The Soviet Union itself and, more recently, China have been the principal buyers of natural rubber for the Soviet orbit. Estimated receipts by these countries may be summarized as follows in long tons:

Year	U. S. S. R.	China	Total
1939.....	30,000	4,586	34,586
1947.....	35,000	22,188	57,188
1948.....	100,000	21,000	121,000
1949.....	105,000	27,500	132,500
1950 (January to September).....	53,250	24,009	77,259
1950 (January to November).....	76,750	(¹)	(¹)

¹ Not available.

Monthly statistics concerning direct shipments of natural rubber from Malaya to the Soviet Union, China, and Hong Kong during 1949 and 1950 are shown in the attached table. Hong Kong is included because much of the rubber it receives is transshipped to China. The figures in the table differ from those shown in the preceding paragraph because there is a time lag of approximately 2 months between shipments from the Far East and imports into the Soviet Union. The lag between shipments from Malaya and receipts by Hong Kong or China is, of course, smaller.

TABLE 1.—*Natural rubber: Shipments from Malaya to the U. S. S. R., China, and Hong Kong, by months, in 1949 and January to October 1950*
[In long tons]

Period	U. S. S. R.	China	Hong Kong	Total
1949				
January.....	3,652	5	815	4,472
February.....	9,352	596	823	10,771
March.....	7,038	1,952	846	9,836
April.....	12,814	735	509	14,058
May.....	0	392	432	824
June.....	2,258	347	1,880	4,485
July.....	10,077	0	1,880	11,957
August.....	8,611	1,651	4,815	15,077
September.....	5,977	10	1,416	7,403
October.....	0	545	5,582	6,127
Subtotal, 10 months.....	59,779	6,233	18,998	85,010
November.....	1,075	657	3,559	5,291
December.....	2,560	100	731	3,391
Total.....	63,414	6,990	23,288	93,692
1950				
January.....	3,675		1,076	4,751
February.....	3,825		955	4,780
March.....	10,599		817	11,416
April.....	5,800	250	707	6,757
May.....	7,450		486	7,936
June.....	4,448		878	5,326
July.....	12,175	1,490	2,976	16,641
August.....	10,815	3,513	4,755	19,083
September.....	4,635	4,772	5,931	15,338
October.....	1,272	12,061	11,791	25,124
Total, 10 months.....	64,694	22,086	30,372	117,152

Source: Rubber Study Group.

Our ability to secure the strategic and critical materials we need for war from other free nations is today seriously impaired by the continued trade of those free nations with the Communist dominated nations of the world. This impairment of our security is revealed both by the short supply and the abnormally high prices of such materials resulting from the limitless competition furnished by the iron curtain nations in the free world markets.

The Democratic members of the Committee on Ways and Means state on page 3 of House Report No. 14, to accompany H. R. 1612:

Today our greatest concern is the maintenance of our national security in cooperation with other nations.

I do not contend that this statement is in error but I do contend that the impact of the most-favored-nation concession upon the national security should not be condoned as it is by the present national administration and the Democrats of the Committee on Ways and Means. The persistence of some free nations in selling strategic and critical materials to iron-curtain nations is not co-operation that will lead to our national security.

Much is made by the Democrats on page 3 of House Report No. 14 of the fact that a representative of the Department of Defense is a member of the Trade Agreements Committee that makes recommendations to the President, but in my opinion the perpetuation of the bottleneck that has long existed in skilled

workers of the watchmaking trade, the condition that today exists in the markets of the world in wool, rubber, and tungsten, lead me to believe that the Department of Defense has not been adequately represented on that committee. It is high time that Congress stop writing a blank check, and stop handing over all control and authority in foreign-trade policy making to the President and the Department of State without congressional control or legal standards of any kind. Yardsticks and guides must be placed in the law if we are to build our national security strong enough to guarantee our continued existence as a Nation in this war-torn world. The day of the blank check and the rubber stamp must end or the very existence of our Nation will be seriously jeopardized. The amendments suggested by the Republican members of the Committee on Ways and Means are all sound steps in the right direction.

The use of the adjective "reciprocal" in this legislation does not prove the existence of reciprocity. In fact, there has been so little reciprocity in our trade agreements throughout the past 16 years that today we as a nation have permitted our own defense self-sufficiency to bog down to a dangerous level. Countless mines have closed; our wool supply and the number of sheep in America have sunk to the lowest level since the end of the Civil War; the Government stockpile of strategic and critical materials was limping along at 38.4 percent at the time the war in Korea broke, and the supply of many essential skills has not been maintained. Domestic production of many strategic and critical materials such as tin, tungsten, and manganese has not been encouraged and all too often has been discouraged by our reciprocal trade program including inadequate tariff rates.

I do not predict disaster for our Nation, but I do charge the present national administration with responsibility not only for our entry into the Korean War without adequate logistical preparation, but I charge them also with complete misunderstanding and lack of comprehension of the impact of our foreign-trade policies upon our Nation's security. The time to change our trade policy is now at hand. Let us either amend the bill before us today or end completely the present authority to bargain away the remaining security we must now conserve if we are to survive.

(Mr. MARTIN of Iowa asked and was given permission to revise and extend his remarks.)

Mr. REED of New York. Mr. Chairman, I ask unanimous consent that the gentleman from New York [Mr. KEARNEY] be permitted to extend his remarks at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

[Mr. KEARNEY addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. REED of New York. Mr. Chairman, I yield such time as he may desire

to the gentleman from Ohio [Mr. McCULLOCH].

Mr. McCULLOCH. Mr. Chairman, I ask unanimous consent to proceed out of order, and to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. McCULLOCH. Mr. Chairman, the untimely death of Capt. Don S. Gentile, on Sunday afternoon, January 28, 1951, deprived the United States Air Force of one of the most colorful personalities and effective fighter pilots of World War II.

To him belongs the distinction of having destroyed more enemy planes than any other American pilot in the European theater of operations during the late war.

During the early days of World War II his determination for a flying career was undeterred, notwithstanding his inability to meet the requirements of the peacetime cadet training program of the United States Army Air Force, and he volunteered for duty in the Royal Air Force.

After heroic action over Dieppe he was commissioned in the United States Air Force where he made a record that will long be remembered. His superb skill, his daring leadership, and his unswerving devotion to duty distinguish him among the great American aces of World War II.

Although he has finally soared away "into the wild blue yonder" he will be an inspiration forever, to the defenders of freedom everywhere. For his country he, too, gave his last full measure of devotion.

On behalf of the House of Representatives, I express to his devoted wife and three sons, and to his parents, sincere and heartfelt sympathy.

Mr. Chairman, under unanimous consent, I append to my remarks the biography of Captain Gentile as furnished to me by the United States Air Force:

CAPT. DON S. GENTILE

Capt. Don S. Gentile, 30-year-old fighter ace, destroyed 19.80 German planes in the air and 6 on the ground during 3 years' service with the RAF and United States Air Force in Europe.

At one time the leading fighter ace of the United States, he was born in Piqua, Ohio, June 12, 1920. Learning to fly while in high school, he had a total of 300 hours flying time when he became a Royal Air Force cadet in July, 1941.

The following December he was appointed an RAF pilot officer and flew with various RAF squadrons out of England until June 1942, when he joined the famed Eagle Squadron.

On August 1, 1942, during the Dieppe raid, Captain Gentile destroyed his first German aircraft, an FW-190 and a JU-88, within 10 minutes of each other, for which he was awarded the British Distinguished Flying Cross.

The next month he was commissioned a second lieutenant in the United States Army and assigned to the Three Hundred and Thirty-sixth Fighter Squadron, Fourth Fighter Group, of the Eighth Air Force in Europe. At the same time, another young American pilot, Capt. John T. Godfrey, trans-

ferred from the RAF to the Air Force. Also assigned to the Three Hundred and Thirty-sixth Fighter Squadron, he became Gentile's wingman and the two formed a combat team which Gen. H. H. Arnold, former commander of the Air Force, praised as the greatest of any war.

Unlike the usual wingman, Godfrey alternated with Gentile as leader and they took turns shooting down planes and protecting each other. Together they destroyed more enemy planes than any other two American fighter pilots, and prompted the remark from Herman Goering that he "would gladly give two of his best Squadrons for the capture of the Italian Gentile and the Englishman Godfrey."

Referred to by Winston Churchill as Damon and Pythias of the twentieth century, the two aces were sent home together in June 1944 to stress teamwork to the American people. After a series of war-bond tours, they were separated, Gentile being assigned to Wright-Patterson Air Force Base, Ohio, as a test pilot, and Godfrey returning to Europe, where he was shot down by the Germans and taken prisoner. (He was later liberated and returned to the United States.)

During his service with the Air Force in Europe, Captain Gentile, who had 20-10 vision, flew 182 combat missions, totaling 350 combat hours.

Captain Gentile remained at Wright-Patterson AFB, testing conventional type fighters and F-80's, until April 1946, when he received an honorable discharge. In December 1947 he was appointed a captain in the Regular Air Force and assigned to the Training Division at USAF headquarters in Washington, D. C., for work on fighter gunnery projects. He entered the University of Maryland in June 1949 for a 2-year study of military science.

The tall, dark-eyed hero, whom the late President Roosevelt called "Captain Courageous," has been awarded the Distinguished Service Cross with one Oak Leaf Cluster, Silver Star, Distinguished Flying Cross with seven clusters, Air Medal with three clusters, and the Presidential Unit Citation with two clusters. His foreign decorations include the Military Order of Italy, Belgian Croix de Guerre, British Distinguished Flying Cross, British Star, British General Service Decoration, Canadian Volunteer Medal, and the Italian Croce Al Merito di Guerra and Medaglia d'Argento Al Valor Militaire. He also wears the Eagle Squadron Crest awarded by the King and Queen of England.

He received the honorary degree of Doctor of Aeronautics from Ohio Northern University at Ada in January 1946.

Captain Gentile is survived by his wife, the former Miss Isabella Masdea, of Columbus, Ohio, three sons, Don S. II, Joseph, and Patrick, and his parents.

The CHAIRMAN. If there are no further requests for time, the Clerk will read the bill for amendment.

Mr. COOPER. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WALTER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 1612) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, had come to no resolution thereon.

COMMITTEE ON RULES

Mr. COOPER. Mr. Speaker, I ask unanimous consent that the gentleman

from Illinois [Mr. SABATH], chairman of the Committee on Rules, may have until midnight tonight to file reports from the Committee on Rules.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, what reports does the gentleman want to file?

Mr. COOPER. The gentleman from Illinois did not advise me as to that. He just asked me to obtain this permission for him, to have until midnight tonight to file certain reports from the Committee on Rules.

Mr. MARTIN of Massachusetts. Why is that necessary? We are not going to meet tomorrow, and we have practically no program that I know of on Friday. I cannot see why this permission is necessary. If we do not know what reports the gentleman wants to file, I will have to object, Mr. Speaker.

The SPEAKER. Objection is heard.

ADJOURNMENT OVER

Mr. MILLS. Mr. Speaker, by direction of the majority leader, the distinguished gentleman from Massachusetts [Mr. McCormack], I ask unanimous consent that when the House adjourns today it adjourn to meet on Friday next.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

SPECIAL ORDERS GRANTED

Mr. MEADER (at the request of Mr. MARTIN of Massachusetts) was given permission to address the House for 30 minutes on Friday next, following the legislative program and any special orders heretofore entered.

Mrs. ST. GEORGE (at the request of Mr. MARTIN of Massachusetts) was given permission to address the House for 30 minutes on Friday next, following the address of Mr. MEADER.

Mr. GROSS asked and was given permission to address the House for 2 minutes today, following the special orders heretofore entered.

CORRECTION OF ROLL CALL

Mr. REECE of Tennessee. Mr. Speaker, on roll call No. 5, I am recorded as not present. I was present and answered "Yea." I ask unanimous consent that the RECORD and Journal be corrected accordingly.

The SPEAKER. Without objection, the correction will be made.

There was no objection.

INVESTIGATION BY COMMITTEE ON ARMED SERVICES

Mr. SABATH, from the Committee on Rules, submitted the following privileged resolution (H. Res. 38) for printing in the RECORD:

Resolved, That the Committee on Armed Services, acting as a whole or by subcommittee, is authorized and directed to conduct thorough studies and investigations relating to matters coming within the jurisdiction of such committee under rule XI (1) (c) of the Rules of the House of Representatives, and for such purposes the said committee or any subcommittee thereof is

hereby authorized to sit and act during the present Congress at such times and places within or outside the United States, whether the House is in session, has recessed, or has adjourned, to hold such hearings, and to require by subpoena or otherwise the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents, as it deems necessary. Subpenas may be issued over the signature of the chairman of the committee or any member of the committee designated by him, and may be served by any person designated by such chairman or member. The chairman of the committee or any member thereof may administer oaths to witnesses.

That the said committee shall report to the House of Representatives during the present Congress the results of their studies and investigations with such recommendations for legislation or otherwise as the committee deems desirable.

INVESTIGATION BY COMMITTEE ON PUBLIC LANDS

Mr. SABATH, from the Committee on Rules, submitted the following privileged resolution (H. Res. 100) for printing in the RECORD:

Resolved, That clause (a) 14 of rule X of the Rules of the House of Representatives is amended by striking out "Committee on Public Lands" and inserting in lieu thereof "Committee on Interior and Insular Affairs."

Clause (1) (n) of rule XI is amended by striking out "Committee on Public Lands" and inserting in lieu thereof "Committee on Interior and Insular Affairs."

Clause (2) (a) of rule XI is amended by striking out "Committee on Public Lands" where it appears in the said clause and inserting in lieu thereof "Committee on Interior and Insular Affairs."

Clause 1 of rule XII is amended by striking out "Public Lands" where it appears in said clause and inserting in lieu thereof "Interior and Insular Affairs."

COMMITTEE ON PUBLIC LANDS

Mr. SABATH, from the Committee on Rules, submitted the following privileged resolution (H. Res. 80) for printing in the RECORD:

Resolved, That the Committee on Public Lands (now comprised of the six former Committees on Insular Affairs, Territories, Public Lands, Irrigation and Reclamation, Mines and Mining, and Indian Affairs) may make investigations into any matter within its jurisdiction. For the purpose of making such investigations the committee, or any subcommittee thereof, is authorized to sit and act during the present Congress at such times and places within the United States, its Territories, and possessions, whether the House is in session, has recessed, or has adjourned, to hold such hearings, and to require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents as it deems necessary. Subpenas may be issued under the signature of the chairman of the committee or any member of the committee designated by him, and may be served by any person designated by such chairman or member.

COMMITTEE ON FOREIGN AFFAIRS

Mr. SABATH, from the Committee on Rules, submitted the following privileged resolution (H. Res. 28) for printing in the RECORD:

Resolved, That the Committee on Foreign Affairs, acting as a whole or by subcommittee, is authorized and directed to conduct thorough studies and investigations of all

matters coming within the jurisdiction of such committee.

Sec. 2. For the purposes of this resolution, the committee, or any subcommittee thereof, is authorized to hold such hearings, to sit and act during the present Congress at such times and places as the committee may determine, whether or not the House is in session, has recessed, or has adjourned, to require the attendance of such witnesses and the production of such books, papers, and documents by subpoena or otherwise, and to take testimony, as it deems necessary. Subpenas may be issued under the signature of the chairman of the committee and shall be served by any person designated by such chairman. The chairman of the committee or any member designated by him may administer oaths to witnesses.

SPECIAL ORDER GRANTED

Mr. FLOOD asked and was given permission to address the House for 30 minutes on Monday next, following the legislative business of the day and any other special orders heretofore entered.

SPECIAL ORDER

The SPEAKER. Under previous order of the House, the gentleman from Iowa [Mr. Gross] is recognized for 2 minutes.

BIPARTISAN TAX CONFERENCE

Mr. GROSS. Mr. Speaker, when I sat down to breakfast this morning, I picked up a morning paper with one hand and a cup of coffee with the other hand, and nearly choked on the first swig, not due to the quality of the coffee, for Mrs. Gross makes fine coffee, but because of the headlines announcing that President Truman invited members of the House Ways and Means Committee, including the Republicans, to take part in a tax confab at the White House.

According to the paper, it was hoped that this touching love scene would lead to what was called a bipartisan tax policy.

Does not this proposition have a familiar aroma? Whenever the President finds himself in a hole, he talks "bipartisan."

Now, after telling the people he intends to tax them until it hurts, he wants the Republicans to bail him out.

Is not this much like putting the cart before the horse? If not, why did not the President call in Republican members of the Ways and Means Committee, and other committees, months and even years ago to consult on administration spending bills and establish, shall we call it, a bipartisan spending policy, inasmuch as increased taxes are necessitated, at least in part, by administration squandering of public funds and debauchery of the currency through Truman inflation?

As obvious as the whole deal is, Republican members of the Ways and Means Committee fell for it, as near as I can ascertain, answering the Truman beck and call, and trod the primrose path to the White House.

By so doing, and for all practical purposes, they identified the Republican Party with the staggering increase in income taxes that will follow. They fell into a booby trap rigged and indeed worthy of the Pendergast school of politics.

DIGEST

OF

CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Division of Legislative Reports
(For Department staff only)

Issued Feb. 8, 1951
For actions of Feb. 7, 1951
82nd-1st No. 24

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HIGHLIGHTS: House passed trade agreements bill; agreed to amendment to protect price-support program. Rep. Rankin criticized Secretary Brannan regarding cotton prices, and Rep. Patman defended him.

HOUSE

- 1. AGRICULTURAL APPROPRIATIONS.** House hearings on the 1952 budget estimates for this Department have been scheduled to begin Friday, February 9. The morning session is to be devoted to a summary discussion of the budget. The Secretary is to testify beginning at 2:00 p. m. This year the agricultural subcommittee consists of Reps. Whitten, Miss. (Chairman); Stigler, Okla.; Bates, Ky.; Andersen, Minn.; and Horan, Wash. For a list of the other subcommittees, see end of this Digest.
- 2. TRADE AGREEMENTS.** Passed with amendments H. R. 1612, to extend for 3 additional years the Reciprocal Trade Agreement Act (pp. 1077-121). Agreed to an amendment by Rep. Dempsey, N. Mex., prohibiting concessions on commodities under the price-support program unless the sales price in the U. S. exceeds the level of support (pp. 1118-20). Also adopted amendments to require the President to notify Congress before any reduction below a level determined by the Tariff Commission to be a peril point; to provide an escape-clause procedure whereby any injured industries could get relief upon appeal to the Tariff Commission. Throughout the debate there was considerable discussion regarding the effect of the program on agriculture, etc.
- 3. ECONOMIC REPORT.** Reps. Hart, Patman, Buchanan, Bolling, Wolcott, Herter, and Boggs of Del. were appointed as House members of the Joint Committee on the Economic Report (p. 1077).
- 4. RECLAMATION.** Received from the Bureau of Reclamation "concrete statements and tabulations of the reclamation program as reflected in the President's budget"; to Interior and Insular Affairs Committee (p. 1128).

SENATE

4. RESEARCH LANDS. The Agriculture and Forestry Committee voted to report (but did not actually report) S. 271, to transfer to Vermont Agricultural College certain ARA lands in Addison County, Vt., for agricultural purposes (p. D77).
5. FOOT-AND-MOUTH DISEASE; FOOD PRICES. The "Daily Digest" states: "Chairman Ellender made his report to the committee on the farm labor conference in Mexico City, as well as on the foot-and-mouth disease eradication program in that country. He reviewed for the committee statistics collected in the study of agricultural prices in relation to present food prices." (p. D77.)
6. COMMITTEE STAFF. The appointment of C. M. Mouser was announced as chief clerk of the Agriculture and Forestry Committee (p. D 77.)

REILLS INTRODUCED

7. PERSONNEL. H. R. 2463, by Rep. Karsten, Mo., to provide for the purchase of bonds to cover officers and employees of the Government; to Expenditures in Executive Departments Committee (p. 1129).
8. WATER UTILIZATION. H. R. 2470, by Rep. D'Ewart, Mont., granting the consent of Congress to a compact among Idaho, Mont., Nev., Oreg., Utah, and Wash., for use of the waters of the Columbia River and its tributaries; (to Interior and Insular Affairs Committee (p. 1129).
9. PRICE CONTROLS. H. R. 2489, by Rep. McKinnon, Calif., to repeal those provisions of the Defense Production Act of 1950 which prevent effective control of food prices; to Banking and Currency Committee (p. 1130).
10. FOOD WRAPPING. H. R. 2484, by Rep. Mansfield, Mont., to provide for the allocation of cellophane so as to insure an adequate supply thereof during the present emergency for use in wrapping food and food products; to Banking and Currency Committee (p. 1130).
11. PAYMENTS IN LIEU OF TAXES. H. R. 2483, by Rep. Lane, Mass., creating a commission on Federal reimbursement to States and local governments by reason of Federal ownership of improved and unimproved real property; to Interior and Insular Affairs Committee (p. 1130).
12. FISHERIES. H. R. 2482, by Rep. Kennedy, Mass., to further encourage the distribution of fishery products, and for other purposes; to Merchant Marine and Fisheries Committee (p. 1130).
13. CHILD RESEARCH. H. R. 2477, by Rep. Javits, N. Y., to provide for research relating to child life and development; to disseminate information as to the practical application of such research by parents, professional persons, and others; and for other purposes; to Interstate and Foreign Commerce Committee (p. 1129).
14. PORK IMPORTS. S. 783 (see Digest 22) amends section 22 of the Agricultural Adjustment Act so as to prohibit the importation of pork from those European countries not cooperating with the U. S. in the ECA program.

ITEMS IN APPENDIX

15. COTTON PRICES. Rep. Rankin, Miss., criticized Secretary Brannan, claiming that he is responsible for farmers not receiving a higher price for their cotton.



United States
of America

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Congressional Record

PROCEEDINGS AND DEBATES OF THE 82^d CONGRESS, FIRST SESSION

Vol. 97

WASHINGTON, WEDNESDAY, FEBRUARY 7, 1951

No. 24

Senate

The Senate was not in session today. Its next meeting will be held on Thursday, February 8, 1951, at 12 o'clock meridian.

House of Representatives

WEDNESDAY, FEBRUARY 7, 1951

The House met at 11 o'clock a. m.
Rev. E. W. Sauer, Fisher Methodist Church, Fisher, Ill., offered the following prayer:

At the very beginning, our Father, of this Lenten season, commemorative of the last days in the life of the One who was redemptive love, we pray for divine wisdom that we may so exercise the privileges of American citizenship that we shall do that which is acceptable unto Thee, remembering always that he best serves his country who best serves his God. This we ask in the name of the One who said, "I am come that they might have life and that they might have it more abundantly." Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

JOINT COMMITTEE ON THE ECONOMIC REPORT

The SPEAKER. Pursuant to the provisions of section 5, Public Law 304, Seventy-ninth Congress, the Chair appoints as members of the Joint Committee on the Economic Report the following Members on the part of the House: MESSRS. HART, PATMAN, BUCHANAN, BOLLING, WOLCOTT, HERTER, and BOGGS of Delaware.

TRADE AGREEMENTS EXTENSION ACT OF 1951

Mr. DOUGHTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 1612) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

CALL OF THE HOUSE

Mr. REED of New York. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. PRIEST. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 11]

Abbott	Gregory	Murray, Wis.
Addonizio	Hall,	O'Brien, Mich.
Angell	Leonard W.	O'Konski
Aspinall	Harris	Passman
Baker	Hart	Patterson
Barden	Havener	Pickett
Bennett, Mich.	Heffernan	Powell
Blatnik	Hinshaw	Rabaut
Bonner	Hollifield	Redden
Bosone	Howell	Reed, Ill.
Bray	Johnson	Ribicoff
Breen	Jones, Ala.	Roosevelt
Erehm,	Jones,	Sabath
Buckley	Hamilton C.	Scott, Hardie
Case	Judd	Scudder
Celler	Kearns	Smith, Miss.
Cooper	Kee	Smith, Va.
Corbett	Kennedy	Spence
Coudert	Kilgay	Staggers
Davis, Tenn.	Lanham	Steed
Dawson	Larcade	Taylor
Dempsey	McGregor	Trimble
Dingell	Mack, Wash.	Velde
Dondero	Magee	Vursell
Donovan	Mahon	Werdel
Elliott	Miller, Calif.	Withrow
Fine	Miller, N. Y.	Wood, Ga.
Fugate	Morgan	Wood, Idaho
Gathings	Moulder	
Gillette	Murphy	

The SPEAKER. On this roll call 340 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

COMMITTEE ON RULES

Mr. MADDEN. Mr. Speaker, I ask unanimous consent that House Resolution 95 be recommitted to the Committee on Rules.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

TRADE AGREEMENTS EXTENSION ACT OF 1951

The SPEAKER. The gentleman from North Carolina moves that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 1612.

The question is on the motion.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 1612, with Mr. WALTER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. General debate on the bill has been concluded. The Clerk will now read the bill for amendment.

The Clerk read the bill, as follows:

Be it enacted, etc., That this act may be cited as the "Trade Agreements Extension Act of 1951."

SEC. 2. The period during which the President is authorized to enter into foreign-trade agreements under section 350 of the Tariff Act of 1930, as amended and extended, is hereby extended for a further period of 3 years from June 12, 1951.

Mr. BYRNES of Wisconsin. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BYRNES of Wisconsin: After line 9, insert a new section, as follows:

"SEC. 3. As soon as practicable, but not more than 90 days after enactment of this act, the President shall take such action as is necessary to withdraw or prevent the application of reduced tariffs or other concessions (including the binding of an article on the free list) contained in any trade agreement heretofore or hereafter entered into under authority of section 350 of the Tariff Act of 1930, as amended and extended, to imports from the Union of Soviet Socialist Republics and to imports from any nation or area thereof which the President deems to be dominated or controlled by the foreign government or foreign organization controlling the world Communist movement."

Mr. MILLS. Mr. Chairman, I make a point of order against the amendment. As I understood the reading of the amendment, it is not germane to the bill presently before us, H. R. 1612. The purpose of the bill before us, and the sole purpose, is to extend the authority of the President to negotiate reciprocal trade agreements. The gentleman's amendment goes far beyond that purpose, and therefore is not germane to the bill.

Mr. BYRNES of Wisconsin. Mr. Chairman, the bill before us deals with the Trade Agreements Act. One of the purposes of the bill before us certainly, and its major purpose is to extend the authority of the President under the Trade Agreements Act. However, in keeping with that purpose and objective, the Congress has the authority and right to either limit or extend the trade agreements authority of the President. This amendment is directed to that objective. I do not think, Mr. Chairman, that the principle of germaneness would restrict us in this proceeding today to the single consideration of whether or not the authority of the President is to be extended in the negotiation of reciprocal trade agreements. I think it is certainly germane to either restrict or extend the authority of the President under the act. This amendment goes to the scope of the authority granted to the President.

Mr. MARTIN of Massachusetts. Mr. Chairman, I would like to be heard on the point of order.

The CHAIRMAN. The gentleman may proceed.

Mr. MARTIN of Massachusetts. Mr. Chairman, I want to emphasize what the gentleman from Wisconsin has well stated. The question here today is the extension of the Reciprocal Trade Agreements Act. Congress in extending that authority is well within its own rights to adopt restrictions in its grants. As I understand, the gentleman from Wisconsin has offered an amendment inserting a new paragraph in the bill which would restrict trade concessions and free privileges to the U. S. S. R. and other Communist countries, known as the satellite countries. Is that not the fact, may I inquire of the gentleman from Wisconsin?

Mr. BYRNES of Wisconsin. Mr. Chairman, that is the purpose of the amendment. It would restrict the application of concessions granted under the Trade Agreements Act.

Mr. MARTIN of Massachusetts. Mr. Chairman, I submit that the amendment is in order. If Congress wants to bar Communist countries from special privileges given to our friendly neighbors it should have that right. We must not forget that to Congress was given the authority to regulate tariffs and it should of course be able to restrict that grant if it so desires.

The CHAIRMAN. The Chair is ready to rule.

The amendment offered by the gentleman from Wisconsin seeks to add language to the bill providing, among other things, "that as soon as practicable, but not more than 90 days after the enactment of this act, the President shall take

such action as is necessary to withdraw or prevent the application of reduced tariffs, or other concessions contained in any trade agreement heretofore or hereafter entered into under the authority," and so on.

The bill before the committee at this time provides merely that the period during which the President is authorized to enter into foreign trade agreements under section 350 of the Tariff Act of 1930, as amended and extended, is hereby extended for a further period of 3 years, from June 12, 1951.

The Chair rules that the amendment offered by the gentleman from Wisconsin is not germane to the bill under consideration and therefore sustains the point of order.

Mr. MARTIN of Massachusetts. Mr. Chairman, if I may be heard further, the Chair then, I understand, takes the position that Congress has no right to restrict any agreement hereafter to be entered into? Is that the fact?

The CHAIRMAN. The Chair has ruled that the amendment offered by the gentleman from Wisconsin [Mr. BYRNES] is not germane to this bill.

Mr. MARTIN of Massachusetts. Why is it not germane?

The CHAIRMAN. The Chair has stated the reasons.

Mr. MARTIN of Massachusetts. I am asking the Chairman the question if his ruling is based on the fact that it should not interfere with a treaty that has already been made.

The CHAIRMAN. The ruling is based on the retroactive aspect of the amendment.

Mr. MARTIN of Massachusetts. It would be within the jurisdiction if the gentleman's amendment provided that any treaties hereafter made shall not apply to Soviet Russia or its satellites?

The CHAIRMAN. We will cross that bridge when we come to it.

Mr. CURTIS of Nebraska. I wonder if the gentleman from Arkansas [Mr. MILLS] would not withdraw his point of order.

The CHAIRMAN. The Chair has already ruled.

Are there further amendments?

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SIMPSON of Pennsylvania: After line 9 insert the following:

"Sec. 3. (a) Before entering into negotiations concerning any proposed foreign-trade agreement under section 350 of the Tariff Act of 1930, as amended, the President shall furnish the United States Tariff Commission (hereinafter in this act referred to as the Commission) with a list of all articles imported into the United States to be considered for possible modification of duties and other import restrictions, imposition of additional import restrictions, or continuance of existing customs or excise treatment. Upon receipt of such list the Commission shall make an investigation and report to the President the findings of the Commission with respect to each such article as to (1) the limit to which such modification, imposition, or continuance may be extended in order to carry out the purpose of such section 350 without causing or threatening serious injury to the domestic industry producing like or directly competitive articles; and

(2) if increases in duties or additional import restrictions are required to avoid serious injury to the domestic industry producing like or directly competitive articles, the minimum increases in duties or additional import restrictions required. Such report shall be made by the Commission to the President not later than 120 days after the receipt of such list by the Commission. No such foreign-trade agreement shall be entered into until the Commission has made its report to the President or until the expiration of the 120-day period.

"(b) In the course of any investigation pursuant to this section the Commission shall hold hearings and give reasonable public notice thereof, and shall afford reasonable opportunity for parties interested to be present, to produce evidence, and to be heard at such hearings.

"(c) Section 4 of the act entitled 'An act to amend the Tariff Act of 1930,' approved June 12, 1934, as amended (19 U. S. C., sec. 1354), is hereby amended by striking out the matter following the semicolon and inserting in lieu thereof the following: 'and before concluding such agreement the President shall request the Tariff Commission to make the investigation and report provided for by section 3 of the Trade Agreements Extension Act of 1951, and shall seek information and advice with respect to such agreement from the Departments of State, Agriculture, Commerce, and Defense, and from such other sources as he may deem appropriate.'

"Sec. 4. The Commission shall furnish facts, statistics, and other information at its command to officers and employees of the United States preparing for or participating in the negotiation of any foreign-trade agreement; but neither the Commission nor any member, officer, or employee of the Commission shall participate in any manner (except to report findings, as provided in section 3 of this act and to furnish facts, statistics, and other information as required by this section) in the making of decisions with respect to the proposed terms of any foreign-trade agreement or in the negotiation of any such agreement.

"Sec. 5. (a) Within 30 days after any trade agreement under section 350 of the Tariff Act of 1930, as amended, has been entered into which, when effective, will (1) require or make appropriate any modification of duties or other import restrictions, the imposition of additional import restrictions, or the continuance of existing customs or excise treatment, which modification, imposition, or continuance will exceed the limit to which such modification, imposition, or continuance may be extended without causing or threatening serious injury to the domestic industry producing like or directly competitive articles as found and reported by the Tariff Commission under section 3, or (2) fail to require or make appropriate the minimum increase in duty or additional import restrictions required to avoid such injury, the President shall transmit to Congress a copy of such agreement together with a message accurately identifying the article with respect to which such limits or minimum requirements are not complied with, and stating his reasons for the action taken with respect to such article. If either the Senate or the House of Representatives, or both, are not in session at the time of such transmission, such agreement and message shall be filed with the Secretary of the Senate or the Clerk of the House of Representatives, or both, as the case may be.

"(b) Promptly after the President has transmitted such foreign-trade agreement to Congress the Commission shall deposit with the Committee on Ways and Means of the House of Representatives, and the Committee on Finance of the Senate, a copy of the portions of its report to the President dealing with the articles with respect to

which such limits or minimum requirements are not complied with."

Mr. SIMPSON of Pennsylvania (interrupting the reading of the amendment). Mr. Chairman, this is the peril-point amendment. I ask unanimous consent that further reading of the amendment be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. MILLS. Reserving the right to object, Mr. Chairman, may I inquire if this is not the so-called peril-point amendment, that has the same purpose as the amendment which the gentleman offered in the Ways and Means Committee earlier?

Mr. SIMPSON of Pennsylvania. The gentleman is correct. It is the same, with some changes as to dates.

Mr. MILLS. I have no objection, Mr. Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania that further reading of the amendment be dispensed with?

There was no objection.

Mr. MILLS. Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania [Mr. SIMPSON] may have five additional minutes in order to explain his amendment, in view of the fact that it has not been read.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. SIMPSON of Pennsylvania. I thank the gentleman from Arkansas for requesting the additional time.

Mr. Chairman, the amendment which I have offered is of far greater importance now than it would have been a few moments ago had the proposed amendment offered by the gentleman from Wisconsin [Mr. BYRNES] been found germane.

This is the so-called peril-point amendment; the danger point. Those words are understood by industry everywhere. Those are words understood by working men everywhere, by those 4,000,000 and more men who lost their jobs about a year ago because of the competition of imports from abroad.

To establish the peril-point principle is the one thing this body can do today to give some assurance to the American workingman that his job will not be traded down the river. This amendment provides a very simple proposition: It is that when the President determines that there shall be further negotiations under the trade agreements, the Tariff Commission, which is an independent body, a fact-finding body created by this Congress, shall make an examination and determine a tariff rate below which serious damage will be done to an American industry if the tariff is cut. That is all it does.

After the Tariff Commission makes that finding it hands it over to the President; it is secret in the hands of the President except as he sees fit to pass the word on to men to whom he delegates authority. They proceed with their negotiations. In the event, and only in the event, that this peril point is dis-

regarded and the tariff is cut below the peril point, then and then only is anything further done. Under that circumstance, when the rate is cut below the warning rate as set by the Tariff Commission, the President of the United States simply writes to the Congress, to us, and says: "I have for the following reasons thought it wise to cut the tariff below the danger point." That is all he does. There is nothing secret about it, no further information regarding the proposed peril points with respect to other items. Certainly that is no burden of any unjust character to place upon the President. Certainly it is the least we can do to assure jobs to our workmen back home.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield.

Mr. COLMER. Do I understand from the gentleman's amendment that in the final analysis it is a matter entirely within the discretion of the President as to whether he shall ask that the peril point be invoked?

Mr. SIMPSON of Pennsylvania. The President has no choice. If the tariff rate is cut below the level set by the Tariff Commission as the safe level, and the President approves a tariff cut below that rate, then the President, with respect to that single item, says to the Congress: "I have for the following reasons decided that we should cut the tariff below this safe rate as set by the Tariff Commission."

Mr. COLMER. Then, in order that we may clarify it, there is a finding of fact made by the Tariff Commission.

Mr. SIMPSON of Pennsylvania. Correct.

Mr. COLMER. And then it is mandatory upon the President to make the request.

Mr. SIMPSON of Pennsylvania. It is mandatory upon the President to make a report to the Congress if he approves a cut of the tariff below that point. But in no way whatever is Mr. Truman or Mr. Acheson or anyone of the negotiators limited; they may cut below that level as found by the Tariff Commission if they see fit to, but if they do, I repeat, they must tell the Congress that they have done so and why they have done so.

Mr. COLMER. Then what does the Congress do?

Mr. SIMPSON of Pennsylvania. The Congress then will do just what I am going to tell you now.

Mr. FISHER. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield.

Mr. FISHER. Was the peril-point provision written into trade-agreement bills in the past?

Mr. SIMPSON of Pennsylvania. No; it would never be written in a trade agreement; it was merely written in the law some time ago.

Mr. FISHER. It was written into one of the extension acts?

Mr. SIMPSON of Pennsylvania. Correct.

Mr. FISHER. And it worked very well?

Mr. SIMPSON of Pennsylvania. We say it worked very well within the limits of the time opportunity. The report was made to the President, but it was not included in the bill.

If I may, I wish now to proceed and suggest a couple of things to do. We are in the war effort, we are very seriously at a disadvantage because we do not have certain items, one of which is timepieces, another of which is wool, another of which is chemicals for the manufacture of ammunition and so on, another of which is synthetic rubber, another of which is certain products made in the glassware industry in wartime, and there are a number of others. Minerals are the most important ones in which we are short.

In every one of those industries what any reasonable person will now say is that the peril point has been exceeded and in every one of those strategic industries we are today short at a very time when we need them. Had this peril-point provision been the law, had the President come to us and, speaking about watches, said: "Gentlemen, I have cut the tariff below the peril point," do you think that you, as Members of Congress, would have sat here and allowed the great watch industry to deteriorate by one-third in the past year? What if the companies remaining have made a few dollars profit, where are we today for timepieces, for the very essential bomb detonation fuses and so forth? We need the skilled labor that was available in that industry. Then there is the optical glass industry, which makes range finders we are importing from Japan, Germany, and other countries today. Remember that the one company which makes those in this land was, within the past 3 months, requested by our Government to increase its capacity by 40 times. They cannot do it. There is not the skilled labor here with which to do it. That industry has been almost ruined because we are today permitting shipment into the United States from Germany, from Japan, and from other countries abroad of the instruments that we should be making here.

We are dependent upon ocean transportation in those very critical fields. Those critical fields I have enumerated only include a few hundred thousand employees. They are within the area where the Hisses that may have been in Government, or the Remingtons, if you please, or any one of the dozen others who have at one time or other been in the State Department, and who have been instrumental in the preparation of these trade agreement policies could, if so inclined, have confined their efforts to those strategic areas with the result that today we are in real danger. We are dependent for our national defense upon the importation of those items manufactured in areas abroad, we are dependent upon ocean transportation at the very time we should be safe. We should be making them here. We should be getting our own minerals here.

Put this peril point provision in the bill and in the future that condition will not come to pass because you and you, as Members of Congress, will not sit here

and allow that peril point to be exceeded. I ask you to support my amendment.

Mr. CURTIS of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman from Nebraska.

Mr. CURTIS of Nebraska. What the gentleman says about industries important to our defense is very true. It is significant to note that the Women's Patriotic Congress, held in Washington on January 25 to 27, comprising some 40 patriotic associations, passed a resolution to the effect that the Trade Agreements Act should expire and be not extended.

Mr. SIMPSON of Pennsylvania. Yes; that great patriotic organization realized that the entire program should not be passed, but certainly would approve this kind of an amendment. You owe it to the people within your district, you owe it to the people of the country to support my amendment.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. The gentleman mentioned a moment ago that when the President cuts a tariff to a level that is injurious to American industry, the Tariff Commission is notified and in turn the Congress is notified. When the Congress receives this information, what is it going to do about it?

Mr. SIMPSON of Pennsylvania. When the Congress has the information, as I have stated, you would not stand for cuts below the danger point.

Mr. VAN ZANDT. What happens? What action can we take?

Mr. SIMPSON of Pennsylvania. After the President notifies Congress he has cut the tariff below the danger point, any Congressman with an affected industry in his district will know what to do.

He will put up a yell on behalf of his constituents, the employees, and owners of the industry. The Congress will take notice; the blame can be pinned on the President and State Department where it belongs, and believe me, the industry will be saved by congressional action.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. BOGGS of Louisiana. Mr. Chairman, I rise in opposition to the amendment.

Mr. MILLS. Mr. Chairman, I ask unanimous consent that the gentleman be allowed to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. BOGGS of Louisiana. Mr. Chairman, preliminary to examining this amendment in some detail and what it seeks to accomplish, I think it pertinent to go back a few years in the history of this legislation and to the historic friends and enemies of this program.

The reciprocal trade program first went into effect in 1934 under the direction of one of the great leaders for peace

in this world, the great Judge Hull, former Secretary of State, and former Member of this body from the State of Tennessee. That program came about after we had seen enacted in the late twenties the Smoot-Hawley tariff which drove off of the seas American commerce and American shipping and reduced our foreign trade to zero, and rather than a program of protection and employment for industry in this Nation, which the gentleman from Pennsylvania now pleads for so eloquently, we experienced the greatest period of depression and unemployment that the Nation had ever known up to that time.

I, of course, do not propose to claim that the reciprocal trade program, operating by itself alone, accomplished these objectives.

Mr. MARTIN of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. BOGGS of Louisiana. Of course, I understand that the gentleman from Massachusetts is opposed to this program.

Mr. MARTIN of Massachusetts. Mr. Chairman, will the gentleman yield right there?

Mr. BOGGS of Louisiana. Yes; I yield to the gentleman, since I referred to him.

Mr. MARTIN of Massachusetts. I want to tell the gentleman from Louisiana that I am not opposed to the program. I voted for it the last time, but I am in favor of giving American industry and the workers of America an opportunity to flourish, and if the gentleman will accept this amendment, I will be very happy to join with him.

Mr. BOGGS of Louisiana. The gentleman knows that there are two ways to be for a program. You can be for it so that the program can operate or you can emasculate it by amendments which will kill it, and then on the final roll call be for it. But historically the Republican Party has opposed this program. Historically it has been a high-tariff party, and the gentleman who comes here today, who says that he is a friend of this program, for all practical purposes, regardless of how he may dress up his amendment, is presenting to this body the historic high-tariff policy of the Republican Party.

Mr. MARTIN of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. BOGGS of Louisiana. Not at this point.

Mr. MARTIN of Massachusetts. I wanted to tell the gentleman that McKinley was the one who inspired this program.

Mr. BOGGS of Louisiana. Now, despite the plea of the gentleman from Pennsylvania, the facts are that employment in this Nation at this time is greater than ever and industrial output has reached a level that no one dreamed it might reach in 1934. American industry is stronger, more virile than it has ever been, so that the charge that this program has affected the security of American industry is palpably false on the face of the record.

Let us examine just exactly what this amendment seeks to do, and let me point out to you how it destroys this

program if it is adopted. This amendment sets aside, puts over in a compartment by itself, and isolated from the other agencies of the Government, the Tariff Commission of the United States. It says to the other agencies of the Government, "You are deprived of the facilities of the Tariff Commission of the United States."

The gentleman from Pennsylvania a moment ago in support of his amendment made a plea based upon the defense requirements of the United States of America, yet, I say to you that the effect of his amendment is to deprive the executive agencies of the United States of the consultation of the Tariff Commission in the establishment of these agreements. Under existing legislation, not only do we employ the facilities of the Tariff Commission, the experts of the Tariff Commission, the trained personnel of the Tariff Commission, but we employ the facilities of the Department of Defense, the Department of Commerce, the Department of State, the Department of Labor, the Economic Cooperation Administration, and other agencies of the Government which are capable through the joint committee of formulating policies which affect the over-all welfare of the United States.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. BOGGS of Louisiana. Yes; I will be glad to yield.

Mr. SIMPSON of Pennsylvania. The gentleman must know that the Tariff Commission is a fact-finding body. That is why it was created. It is the one that presumably today tells the President where the danger point is. The only difference is that the President cuts the tariff, if he sees fit, below that danger point and then does not tell the public. All this says is, "Mr. President, you must tell Congress that you have seen fit to cut the tariff below this level," and the American people are entitled to know that.

Mr. BOGGS of Louisiana. In reply to the gentleman I will read a statement, just a paragraph or two, made by Mr. Kline, president of the Farm Bureau Federation of the United States, where he in behalf of the farmers vigorously opposed this amendment. He opposed it then and he opposes it now. This is what he said 2 years ago when the Republicans did put through these crippling amendments:

These amendments remove the United States Tariff Commission from the list of agencies from which the President must seek information and advice with respect to the negotiation of proposed trade agreements, and the Commission or its representative are specifically prohibited from participating in the negotiations of trade agreements.

These amendments also require that before trade-agreement negotiations can be conducted, the Commission must conduct separate, independent investigations and reports, and hold separate hearings which duplicate the hearings held by the Committee for Reciprocity Information.

Not only did Mr. Kline say that but the United States Chamber of Commerce said the same thing. The Junior Chamber of

Commerce said the same thing. Every friend of this program, to my knowledge, without exception, took the identical position. Mr. Charles Taft, the distinguished brother of a Member of the other body, testified before our committee and made a very strong statement against the so-called peril-point amendment. The amendment is opposed by the civic, by the business, by the commercial organizations of the United States. It is opposed almost unanimously by the press, whether that press be Democratic or Republican in its predilections. It comes here not under the sponsorship of the traditional friends of this program but under the sponsorship of the people who gave this country the highest tariff in its history, and who now seek by indication, by a procedural device, if you will, again to destroy the program.

Mr. GOSSETT. Mr. Chairman, I move to strike out the last word, and rise in support of the amendment.

Mr. Chairman, my good friend who has just spoken said that those who favor this amendment are enemies of the reciprocal trade-agreements program. Such is not the case at all. I have always supported the reciprocal trade-agreements program. I am for it. I am going to vote for it today, whether or not this amendment is adopted. But I do say that this is a reasonable, a fair, a democratic amendment, and that we ought to adopt it.

I recall when the President last addressed this Congress he said we should put the welfare of the country above partisan politics. We all agree to such a principle. The peril-point and the escape-clause amendments being offered to this bill are very much in the public interest.

The peril-point amendment after all simply gives to industry and labor in this country a wailing wall, so to speak.

It does not in any wise tie the hands of the administration, as alleged. I have sat in this chamber during numerous debates on the various extensions of the reciprocal trade agreements program. I am getting tired of having the personality of our great former Secretary, Mr. Cordell Hull, made an issue in this discussion. We revere his services to the country and he was the father of this program, but that is no reason why there should not be from time to time a reasonably practical amendment to the program. The Congress is being asked here to grant almost plenary power of life and death over American industry and American labor to the Secretary of State. I am not willing to entrust such power to any agency or department of Government. The American people are getting tired of this Congress frittering away its legislative duties and responsibilities. If you Members have been reading your mail lately, you know that we are being castigated because we do not do our duty and because we turn over to the sprawling executive branches of the Government vast responsibility and power over the lives and property of the people.

There are two amendments to this bill which are going to be offered. I want to go on record as being in favor of both

of them. One is the peril point amendment and that is an amendment before the fact, if you please, to give industry and labor the right to go down to the Tariff Commission and say, "Here is a level below which we are going to be hurt." In the course of American jurisprudence and American justice has anybody ever been denied such a right—the right of petition, if you please?

The other is the escape clause amendment which is going to be offered by my friend, the gentleman from West Virginia [Mr. BAILEY] and I understand another by the gentleman from Nebraska [Mr. CURTIS]. That amendment gives the industries and labor organizations of the country the right to go in after the fact, when these agreements have been working for a while, and say, "Conditions have changed. Business has fallen off. The economic situation has changed, and we are entitled to some relief."

Who is there here who has the temerity to stand in the well of the House and say that American industry, American labor, and the American people are not entitled to both those rights? Have we come to a point in this country where we are willing to deliver to anybody, good, bad, or indifferent, plenary power of life and death over American industry and American labor? I still say we should take care of this country first. I do not think we can do it by high tariffs. Neither do I think we can do it by eliminating all protection and all restrictions which have been set up for the protection of the American standard of living. We all know, and we are proud of the fact that American labor has the highest standard of living of any labor in the entire world. We also know that American labor cannot compete with coolie labor in China and with the labor of many other parts of the world. So we simply say here through the peril-point provision that these people, our people who have contributed to the strength and security of this country, have the right to be heard. Opponents of these amendments say, "Oh, you are taking the Federal Tariff Commission out—you are depriving the committee that negotiates these treaties of the expert advice of the Federal Tariff Commission." There are plenty of other people who can give expert advice. For that matter they can take the assistance even of the commissioners themselves outside of their official role as commissioners, if necessary, and consult with them. That is simply a smoke screen in an effort to defeat amendments which ought to be written into this program.

Mr. Chairman, I hope the Members of the House exercise good judgment and write into this program American amendments for the benefit of American labor and American industry.

The CHAIRMAN. The time of the gentleman has expired.

Mr. REED of New York. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the time has come for us to be realistic, and first of all to be Americans. How does it happen that we have one of the greatest governments in

the world? How does it happen that we have the highest standard of living?

Going back to the beginning of this Government, every government, including Great Britain, was trying to make us just a producer of raw materials. She was going to have the payrolls. She was going to manufacture the goods. This country has always protected its market. It has had to protect its market against the cheap labor abroad. Today, the disparity between wages in this country in industry and those competing industries abroad is so great that it is utterly impossible for us to continue to have the high standard of living which we enjoy.

Already foreign goods are coming into this country in quantities that are disastrous. When I say "disastrous" let me bring you down to earth, if I may, just a moment. There are simply thousands of villages and communities throughout this country that live upon the payroll of an industry. Our communities are built on payrolls. When we export those payrolls abroad we destroy not only the payrolls of that community but we destroy the community itself.

Can you imagine anything that those countries behind the iron curtain and Russia herself would enjoy more than to be able to strike terror into this country by destroying its payrolls?

Who helped frame these low tariffs? Well, Alger Hiss was one of the moving spirits in that, as he was, of course, in relation to the United Nations. Strange thing that they should have the veto power in the United Nations. Strange thing that they would want to lower the tariffs down below a danger point.

When we think of our boys fighting in Korea, probably under worse conditions than an American army ever faced, losing their feet, their hands, their eyes, and many of them losing their lives, fighting 7,000 miles away from home, I wonder what they are going to think when an amendment like this is under consideration and the House opposes it on a technical parliamentary point. I wonder what they are going to think about turning down by a parliamentary move the Byrnes amendment that was offered earlier. All we are trying to do is to stop our enemies from getting the benefit of all the reductions made to 45 free countries. Russia dominates over 800,000,000 people, with all of those countries behind the iron curtain, yet we turn down a proposition of protecting our boys who are fighting over in Korea. Russia and her satellite countries can pour their imports in here and get all the benefits of a low tariff, get dollars with which to buy the tanks and guns and facilities to murder our boys. Think of it. Yet they raise a point of order against our boys—not against us, but they raise a point of order against our boys in Korea being able to defend themselves against Red China and the Russian satellite countries.

I say the time has come to be realistic. Certainly there is no industry in this country that should not be protected against the tariff being lowered below a danger point, the destruction point of that industry. I say, if there is anybody

on this floor who wants to fight for the boys, they should at least strive to save this peril point; save our industries. We are going to need production if we do not have inflation.

You may believe that foreign goods are not impinging on our payrolls. What I am reading is local, but it applies to every community in this country.

Only yesterday, a Washington clothier and haberdasher in an advertisement calling attention to an inventory clearance offered such items as men's fine shirts of imported fabrics, imported hand-blocked wool neckwear, imported sweaters, imported English wool hose, imported men's toilet soap, silk mufflers hand-blocked in England, men's English gabardine topcoats, imported English felt hats, imported Scratch felt hats, made in Italy, imported Shetland sport jackets, tailored sport jackets of imported fabrics, hand-woven Shetland tweed sport jackets, imported material cheviot topcoats, Burberry topcoats, made in England, tweed topcoats, hand woven in Scotland, Chester Barrie tweed topcoats, hand-woven in Scotland, imported shoes made by Alan McAfee of London, Saxony woolen coats made by Rodex of London, Rodex Scotch tweed topcoat, and a group of imported single-breasted English raincoats for women.

These advertisements are being carried all over this country. Now, are you going to stop it or are you going to do away with the peril point and let these industries be destroyed?

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. GAVIN. Mr. Chairman, I ask unanimous consent that the gentleman from New York may proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield.

Mr. GAVIN. I want to point out to the gentleman that these industries to which he refers have been producing the money that makes the profits, that pays the taxes into the Federal Government, that makes this whole program in Europe possible. In other words we pumped \$40,000,000,000 into Europe in the last 4 years to rehabilitate the industrial life of the European countries. Now they lower the tariff barriers and they flood this country with cheap merchandise that is crucifying the industries that make the whole program possible.

Mr. REED of New York. I thank the gentleman for his remarks.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield.

Mr. SIMPSON of Pennsylvania. The gentleman knows that over in Germany today they are making chemicals just as good as we can here in this country. The gentleman knows also that right now at Torquay they are negotiating away the protection of the American chemical industry. This industry today cannot expand because private capital will not go into it knowing that the same chemicals will come from plants in Germany which have been built under ERP funds.

Mr. REED of New York. I thank the gentleman. I want to call attention to

another thing: The gentleman from Louisiana referred to our export business. Yes; I went into the export business in my first speech. That was the export business that brought about the war in the Pacific and murdered our boys in Pearl Harbor and Japan. We poured \$40,000,000,000 since the war in Europe through the ECA and what has happened? Of course we can ship over exports when the money that pays for the exports comes out of this country; and, of course, there is a certain group of our people, the taxpayers, who will pay for the exports, and, of course, the foreign nations will believe in a system of government that gave them gratis the exports. I say again, the time has come to be realistic.

(Mr. REED of New York asked and was given permission to revise and extend his remarks.)

Mr. CAMP. Mr. Chairman, I rise in opposition to this peril-point amendment.

Mr. Chairman, in my opinion, there is nothing that could be done that would so jeopardize the trade-agreements program or so cripple its administration as to adopt this amendment.

It has been said here by speakers before me, and especially by the gentleman from Texas [Mr. GOSSETT], that this amendment will create a forum or a wailing wall for American industry. He evidently is not familiar with this program and does not know the method of negotiating a trade agreement at the present time. The very Tariff Commission in whose hands they seek to put the whole proposition sits on the Committee for Reciprocity Information. It is a superb fact-finding commission, and it dominates the Committee for Reciprocity Information. Let me briefly describe what takes place when a trade treaty is in process of negotiation. In the first place they publish a list of those articles that may be negotiated. The public is put on notice that these articles may come up for negotiation with a certain country and if any manufacturer or producer of those articles desires, he may appear before the Committee for Reciprocity Information and give testimony. Now, Mr. GOSSETT, there is your wailing wall, there is your committee.

They hold hearings and at these hearings there will be, and always is, a member from the Department of Agriculture, the Department of Labor, the Department of National Defense, and lately they have added all of these new agencies like the ECA.

Let me explain to you what recently happened in my own district. We are producing down there an agricultural product that is not produced anywhere else in the United States to any extent. My district produces 95 percent of the American supply of it. They advertised they were going to hold these renegotiation hearings at Torquay, England, and that this article might be brought up and might be negotiated. We immediately appeared before the Committee for Reciprocity Information and the member on that committee from the Tariff Commission particularly questioned me about this product, why it

happened to be grown down there, and so forth. I am glad to tell you that they made a report that the tariff rate must not be reduced.

Mr. Chairman, the Tariff Commission not only hears this testimony just as it would under the peril-point proposition, but they sit in at the negotiations, they will have their man to talk in England, and you are now getting the benefit of all the knowledge that the Tariff Commission has on any item.

Let me say further that in the Smoot-Hawley Tariff Act, which has not been repealed, there are more than 5,000 articles or items and each one of these items has many forms and shapes; so you might say there are 20,000 items. How long do you think it will take the Tariff Commission to set up peril points on all of the goods manufactured in this country?

Let me tell you something else. Instead of helping this program, instead of helping to protect the interest of manufacturers in this program, it will so retard the work of the Commission they will never get around to all of them. This program has been in effect since 1934. It has been so successful that every big trade body in this country, including the United States Chamber of Commerce, is in favor of it. Since its inception in 1934 there have been only 20 appeals.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. JENKINS. Mr. Chairman, I move to strike out the requisite number of words.

(Mr. JENKINS asked and was given permission to revise and extend his remarks.)

Mr. JENKINS. Mr. Chairman, I should like to answer an argument advanced by the gentleman from Louisiana with reference to the Smoot-Hawley Tariff Act passed many years ago. You know, that is almost ancient history, but this is a very vital fact; at no time since that bill was passed has the Democratic majority ever tried to repeal any of it. They have been challenged on this floor dozens and dozens of times to do something about it and quit talking, but they have never done a thing about it. They must really like it.

Let me speak for a few minutes about this peril-point proposition.

On this proposition the words "peril point" are very catchy, and they mean a whole lot. But, there has been a great deal developed in the last 2 or 3 years that makes this peril point still more important.

My good friend the gentleman from Georgia [Mr. CAMP] spoke about what the Tariff Commission does. The Tariff Commission is a high-class commission, appointed by the President and approved by the Senate. It is a continuing commission; it is a nonpartisan commission. I think it has four Democrats on it and three Republicans. It has made a great reputation, but it has not been allowed hardly at all to function since these Hull agreement laws have been passed. What has taken its place? This thing they call the Committee on Reciprocity Information has in effect taken its place.

That is a political committee. Now, does anybody want to dispute that with me? I repeat, that committee is purely a political committee. You may say, "Well, one man sits on it from the Tariff Commission." Yes, only one man. He goes there, but listen to me, the practice and the story that we get before our committee is that people have gone down there by the dozens to present their views and they get the brush-off; they do not get anything. It is purely a political committee, and speaking a few days ago I said something about it and I struck what I said out of the record—I said their conduct has been almost disgraceful. Maybe I ought to strike that out of the record because I do not like to say it. It is not a popular committee; it is not functioning properly. It has been an overriding committee. On the other hand, who is there here who wants to say that the Tariff Commission has not done a high-class job? It has.

Now, all we want to do with this peril-point business is this: The law provides that the President can increase or decrease tariff duties within certain limits. Do you know he never has increased the rates but once? I believe that is all; I may be wrong about that, but not more than two or three times has he ever increased any duty for anybody under any circumstances. All of his actions have been reductions. He reduces, he reduces, and continues to reduce. Why? Because the Committee on Reciprocity Information tells him to do that. The President can hardly have time to know these details. That is one of the reasons this Congress set up the Tariff Commission.

Now, all we do have now is two things. We try to take from this Committee on Reciprocity Information some of this power that it has arrogated to itself, and the only way to do that is by publicity, and that is the reason we want this publicity. The President should be compelled to make a report to the Congress. I want to tell you that in this democracy there is a wonderful potency in publicity. Likewise, there is potency in being truthful and honest and above-board, and that is all we ask in this amendment for the President to tell the Congress and the world why it is he wants to reduce the tariffs down below the point which will be perilous to some industry and below a rate fixed by the Congress and by the Tariff Commission itself. At present he can do as he pleases without any accountability to anybody, and I tell you that this President or any other President should have that power taken away from him. We went a long way when we gave the President power to fix duties within a limit in the first reciprocal agreement tariff law. The Constitution gives that power to the Congress and not only does it give Congress the power, but it puts upon Congress the duty. We have that responsibility, and we have in the interest of expediency, in times gone by, clear from the days of McKinley, given to the President some rights and some privileges. But these privileges were only to be exercised as an assistance to carrying out the law and were to be ex-

ercised only within certain definite limitations. In that way Congress kept the legislative function to itself and gave to the President only a well-limited executive function. But now we come to the place and say, "You have abused that privilege; your committee has exceeded the limits." How do we know? Take the testimony of the watch people, the pottery people, and the glass people, and the fisheries on both oceans, and they will tell you what kind of treatment they get down there before this Committee for Reciprocity Information.

My friends, I say that is in the interest of everybody, that the people be protected by the passage of this amendment, fix certain points below which the duties should not be lowered.

Mr. GRANGER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is an unusual role for me to occupy. Ordinarily I have not been opposed to the reciprocal trade agreement program, but I have had some complaint about the administration of it. However, it seems to me this amendment is impotent, unnecessary, ineffective, and would bring no benefits at all to those who are supporting it.

Let me read you the testimony of a man whom you all know, who I think knows as much about tariffs as any man, and who is as much opposed to the reciprocal trade agreements program as any man could be, the distinguished Senator from Nevada, Mr. MALONE. As I read his testimony from page 374 of the hearings, may I say that his position is my position on this amendment:

Mr. MILLS. Senator, were you one of the advocates in the Senate of the so-called peril-point provision? I think I recall that you introduced, with other Senators, a bill along that line back in the Eightieth Congress. Am I not right on that?

Senator MALONE. No. I want to correct you on that. I am not in favor of the peril point. Of course, it would be better than what we have now, but I am not in favor of it because all it would do would be to make the President write us a letter to let us know why he is exceeding the peril-point tariffs.

Mr. MILLS. If you will permit me to interrupt you, actually it has been my opinion all the time that the peril-point provision did not really accomplish the safeguards that its advocates have claimed it would accomplish because it does not prevent anything from occurring. Is not that right?

Senator MALONE. In my opinion, it would be useless, and probably worse, because if we accept the extension of the 1934 Trade Agreements Act with that principle, then we are lost.

I take the same position as the Senator from Nevada. This is an amendment offered only for the purpose of amending something. It has no force and effect and would be of no value to the people who might be led to believe they were getting some benefit under this amendment.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield.

Mr. SIMPSON of Pennsylvania. The gentleman has quoted Senator MALONE. He has not covered the fact, though, that Senator MALONE stated he was 100 percent opposed to the program.

Mr. GRANGER. That is right; he is opposed to it, but he is opposed to it outright, and he is not ready to accept an amendment of this kind by the back door. It would have the effect of destroying the very thing he is for.

There are other reasons why I have changed my mind somewhat on this program. The situation is different than it was a year ago. We are in a world struggle today. Peace is more important now than any other thing to be desired. These trade agreements are interlaced with every country with which we have relations. These relations are already strained to the breaking point with many of them, not only with Russia and the satellite countries but with others. It seems to me that this amendment, instead of encouraging the boys in Korea, would have the opposite effect by giving them the impression that we are doing something to rock the boat and disturb our now serious relations with other countries of the world. I think it is unfortunate that we should do this at this time. Even if I were for amending this trade-agreements program, I would hesitate to do it at this particular time. But this amendment is impossible, as it would hold out only a false hope to one who considered himself to be injured.

Mr. MCGREGOR. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the subject before us today known as the Trade Agreements Act, H. R. 1612, vitally affects all Americans—the farmer, the workingman, and the consumer. It will determine whether we go forward to a high standard of living with a higher standard of wages, or blunder into another depression or recession. In my opinion, American trade policies are too vital to the Nation's welfare to trust to the whims of one man no matter how sincere he may be. This authority should be retained by Congress or, at least, Congress should establish certain standards for the guidance of the President so the people, business, labor, and agriculture will know what to expect.

I believe this bill should be amended so we will have a peril point provision which is nothing more than a report made by the Tariff Commission specifying a point which would be perilous to this country to go below in tariff reduction. In other words, the peril point is a stop or, at least, a slow clause which will certainly help protect the American worker, farmer, and industrialist from low wage rate goods imported into the United States from foreign countries. It would prevent glassware, tableware, pottery, Russian furs, Red Chinese dried eggs, and other farm and industrial products from being sold in America much cheaper than they could be produced here simply because they are produced by slave labor. No thinking and patriotic American should object to the inclusion of this amendment which is essential to the preservation of our Nation's economy and our Nation's security.

I also urge that an amendment be included in H. R. 1612 to provide an escape clause. The reason for this is that at the present time many industries whose tariff protection has been seriously re-

duced are unfairly discriminated against because they are denied the privilege that other industries have of appealing under the escape clause. I contend that all industries should have equal treatment and a chance to have their day in court.

If these two amendments are not incorporated in this bill, certainly the working people and all those who have a stake in the continued prosperity of our Nation should hold the New Deal party strictly responsible for the economic evils and disastrous consequences which will beset our national economy, and be the result of any ill-advised tariff reduction. When the time arrives when factories are closed and millions are out of work, those directly affected should remember who is to blame.

May I reiterate my former statements, Mr. Chairman: When you reduce the tariff on products from other countries, you are allowing products to be brought into this country made by low-income labor, which makes it impossible for the American worker to match. We all believe in reciprocal trade, but let us make sure it is reciprocal, taking into consideration the welfare and living standard of our own people. The Trade Agreements Act is a sell-out by the New Deal party to the free traders of the South. The farmer, the workingman, and the small-business man are pushed aside and their interests are forgotten. We must remember we are furnishing cash to foreign countries to pay the labor for their products so as to be a part in world markets. This bill as written would force us to compete against our own tax money and grant favoritism to our competitors.

Mr. MARTIN of Iowa. Mr. Chairman, I move to strike out the last word and rise in support of the amendment.

Mr. Chairman, I am shocked at the position of the gentleman from Utah [Mr. GRANGER], a member of the committee. For 12 years the gentleman and I and many others have fought together here to rehabilitate the mining industry of America. I have no mines in my district, but I have fought for the sake of our national defense. We have had our quarrels with the Munitions Board. He knows full well what President Truman's position was in signing Public Law 520 of the Seventy-ninth Congress, the Stock Pile Act, when he opposed very outwardly, but did not veto, the "Buy American" clause in that law. I have on my desk the last annual report of the Munitions Board dated January 23, 1951. We have reached the miserable percentage of 30 percent of the Government's stockpiles, and so far as the mines are concerned, we lost 8,000 of 11,000 gold, silver, copper, lead, and zinc mines between 1935 and 1951. Eight thousand have been closed. We have crossed the peril point so often and so violently I am surprised that any Member from a mining State can stand up in the House of Representatives and defend an action which seeks to eliminate any provision which would inform the American people that we are going below the peril point. I do not know why the mining industry would want us to blindfold ourselves so that we will not know when we are again crossing the

peril point. As a matter of fact we have crossed it many, many times and this bill makes us ever more impotent in our national defense efforts.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Iowa. I yield.

Mr. GRANGER. I think the gentleman will admit that there was not a single mining man or livestock man or wool grower who appeared before the committee or who even wrote a letter to the committee in opposition to the passage of this bill; is that not true? Not a man appeared before our committee.

Mr. MARTIN of Iowa. Not this year, but we incorporated by reference the proceedings of the preceding hearings 2 years ago and the gentleman will find plenty of evidence and plenty of testimony in opposition. Those hearings were incorporated by reference, and the gentleman knows that.

Mr. Chairman, in the hearings you will find the statement of President Truman opposing the "Buy American" principle on page 295. If you are interested in it I suggest that you read it. You will find there his ideas about "Buy American." You will also find the situation of the wool industry in America very graphically portrayed in this year's hearings on page 164, and you will find the contrasting situation in wool in South Africa on page 165 of the hearings. If you are interested you should read it. If you want to go back a little more in history, go back to the hearings of 1948 and read there Mr. Clayton's testimony and picture the background there of his dash back here from Geneva to induce us to do something about wool. What did we do with wool? We granted Britain a 25 percent reduction in the wool tariff to get Britain lined up with our trade agreement program. What happened? Well, you can find out from the hearings. I will tell you that the population of sheep in America today is at its lowest ebb since the Civil War, and we are more dependent on imports than ever before. You will also find, if you want to look for it, that Australia and New Zealand are selling wool and shipping it into Russia today.

Now let us consider the question of rubber. If you want to find a sickening surrender of our State Department in trading over the safety of our men in Korea, then look at pages 869 and 870 in the CONGRESSIONAL RECORD of January 31 where I quoted the State Department's excuse for condoning the sale and shipment of rubber from Malaya and Hong Kong to the U. S. S. R. and Red China. Rubber is going there in ever greater quantities. Is it any wonder that raw rubber jumped from 17 cents up to 75 cents? Is it any wonder that wool jumped from \$1.99 last June to \$4.30? We are bidding frantically against the world while our allies help our enemies. We are bidding against our enemies with our own allies who are the principal sources of supply because we have long since passed peril points so far as our own production of domestically produced strategic and critical materials and our own self-sufficiency is concerned.

Now, let us take this Munitions Board report. I have just received this report today. It is dated January 23. Our Government stockpile stands at 30 percent. Oh, they say they revised the objective. What have they been doing? Taking a nap for 5 years? I wanted to get this objective up 5 years ago. They have been nursing us along with statements of their own self-praise.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. MARTIN of Iowa. I say the Munitions Board today have finally jumped out of their rocking chairs with their pants on fire. They tell you now that they have an objective of \$3,000,000,000 of strategic and critical materials. They were satisfied less than a year ago with an objective of \$4,000,000,000 of Government stockpile.

What is the situation in private industry? We could take the hide off of them too, because they not only gobbled up all the available supply of strategic and critical materials after World War II, and RFC handed over to industry about \$12,000,000,000 worth of them; they not only gobbled all that up but they have lowered their reserves to the danger point. There is no adequate private industrial stockpile of strategic and critical materials in this country today.

Now, the Democrats tell us that we are so impotent that we must continue the most-favored-nation clause to our enemies. How can I expect you to join with me in standing up and fighting Great Britain and some of her colonies and telling them what we think of them for insisting on sending rubber and wool and other critical and strategic materials directly into China and directly to the iron-curtain nations? What am I going to write to my boy, who is an infantryman in the fox holes of Korea? Am I going to tell him that Congress is totally impotent; that Congress has to take this lying down? Is that the message you want me to write to my son?

For 12 years I have been trying to build up, rehabilitate, and activate the mining industry of America. I do not have a mine in my district, but I do have a son in Korea. I have tried to build up the wool supply of America, and the result of my effort is that the wool supply is at the danger point. Our sheep population is at the lowest point since the Civil War. Think that over. And then, if you picture an all-out sudden war with Russia, will you tell me how you are going to get those supplies of the 71 strategic and critical materials in here from Australia, New Zealand, and the other countries over those long dangerous sea lanes. Read the record of how many snorkel submarines there are available to stop those shipments. Then, where will you go from there? Get out

and shake your bare fist at the enemy and see how far you get.

This is a serious business. I hate to surrender, I hate to place trade over our national defense. That is exactly what you are doing, and that is why I am against this bill as it is now written. I am for reciprocal trade, but unless this amendment and others to be offered here today are adopted there is not an ounce of reciprocity in this legislation.

The CHAIRMAN. The time of the gentleman from Iowa has again expired.

Mr. HAYS of Ohio. Mr. Chairman, I rise in support of the amendment, and I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HAYS of Ohio. Mr. Chairman, I am against extending the Reciprocal Trade Agreements Act at all. The misapplication and abuse to which this principle has been subjected during the past few years by the State Department has rendered even the principle repugnant to me.

I am seriously concerned with the manner in which this law throws all precautions overboard and places the whole American economy at the mercy of the State Department.

As the elected Representatives of the people, we Members of Congress are bound by oath and solemn duty to watch over the welfare of our constituents.

Congress has a grave responsibility to the people of this country to make certain that any delegation of its powers over tariff matters is properly administered, and we cannot, without completely disregarding this responsibility, lightly issue such blanket delegation of power without a check on it. To do so is a surrender by Congress of its watchdog functions to an agency of the Government which is not primarily interested in domestic problems and is not prepared to cope with them.

However, there is one way that Congress can prevent abuse of tariff rates by officials who are too preoccupied with our international problems to be the best judges of problems on the home front. And that is to restore the so-called peril-point amendment to the Reciprocal Trade Agreements Act which the Eighty-first Congress struck out 2 years ago.

Previous legislation concerning the peril-point amendment provides the following procedure with which I am in full accord:

The President shall notify the United States Tariff Commission the commodities for which negotiation for reciprocal reduction of tariff and other trade barriers was intended. Following such notification, the Tariff Commission shall conduct hearings and make an investigation to determine the point to which duties could be reduced without seriously injuring the domestic industry. The Commission shall inform the President of its findings no more than 120 days after the original notification.

The peril point is solely intended to inform the President. It does not restrict him in any way in the granting of concessions.

The President is specifically permitted to disregard the peril point and to grant concessions below such a point if he felt that the concessions to be gained from foreign countries, and other circumstances, makes it advisable to do so.

If the President disregards the peril-point recommendations of the Tariff Commission, he must explain to Congress his reasons for doing so.

The peril-point amendment was removed from the Reciprocal Trade Agreements Act by the Eighty-first Congress at the express request of the President. I think it is highly proper at this time when the President has asked Congress to extend the act another 3 years to examine his reasons for wishing the legislative check-rein removed.

In negotiating trade agreements, the President acts through the State Department. Thus, it may be assumed that the President's request either emanated from, or had the unqualified approval of the State Department. Let us look into State Department's official explanation of the reasons for the President's desire to eliminate the peril-point procedure.

The following explanation was made by Mr. Willard L. Thorp, Assistant Secretary of State for Economic Affairs, at hearings conducted by the Ways and Means Committee of the House 2 years ago.

Mr. Thorp declared that such peril points would be set without regard for any national or international considerations, and would disregard benefits to be obtained by other countries, long-term needs of the economy for expanding markets, the necessity of obtaining the best possible use of domestic resources, possible strategic considerations, or the possible repercussions of our action upon the policies of other countries toward us.

He further stated that the peril-point procedure returns to the old protective theory that only the prosperity of an individual industry is affected by a tariff or a quota, and practically makes such narrow protectionism the sole criterion for determining the concessions which may be made by the United States in trade agreements.

Let us analyze Mr. Thorp's statement so that the basic explanation may become more apparent.

Mr. Thorp says in effect that the peril points established by the Tariff Commission do not take into consideration all of the factors which must be considered in making trade concessions. He then concludes that the establishment of these peril points practically makes the prosperity of individual industries the sole criterion for determining the concessions which may be made by the United States in trade agreements.

I grant that in establishing peril points the Tariff Commission primarily is interested in the protection of domestic industries. But Mr. Thorp's conclusion does not necessarily follow. Should the President, and through him the State Department, be bound by the peril points, and were unable to grant concessions below such points when other

considerations warranted such action, then Mr. Thorp's conclusion would be correct.

However, that is not the situation. The State Department is not bound by such peril points, and would specifically be permitted to disregard them when other considerations indicate a need for action.

To fully comprehend the dangers inherent in the presently unprotected act as amended of 1948, we must keep in mind the original Trade Agreements Act of 1934.

The Trade Agreements Act of 1934 was for the purpose of expanding foreign markets for the products of the United States as a means of assisting in the present emergency in restoring the American standard of living, in overcoming domestic unemployment and the economic depression, in increasing the purchasing power of the American public, and in establishing and maintaining a better relationship among the various branches of American agriculture, industry, mining, and commerce.

It must be admitted that times have changed somewhat since 1934.

There is no national economic depression, and, on the surface, at least, there is no evidence that agriculture, industry, mining, and commerce are fighting with one another.

I will go along with Mr. Thorp in his premise that benefits to be obtained by other countries, long-term needs of the economy for expanding markets, are factors which must be taken into consideration in determining what concessions should be granted. However, I feel very strongly that protection of domestic industries is at least one other factor which should be considered.

By elimination of the peril-point procedure, the State Department has virtually said, "We do not want to know the needs of individual industries. We do not want to be told that if we grant a certain concession the effect will be to injure an individual domestic industry. We want to make our decisions without being influenced by any such considerations."

By removing the peril-point amendment, the Eighty-first Congress gave the State Department too much authority to grant trade concessions without any regard to the effect which such trade concessions will have on domestic industry.

I feel that it is the responsibility of this Congress to make certain that adequate consideration is given to all factors; one of the most important of those factors is the effect on domestic industry.

While I am completely sympathetic to the importance of encouraging the importation of foreign merchandise in order that living standards abroad may be improved, as well as to enhance the purchasing power of foreign countries, I do not feel that we should entirely disregard the effect which such importations will have on domestic industries.

Our first responsibility is to the people of this country, and my first responsibility is to the working men and women of my district, and that responsibility cannot be ignored.

In my district are located a number of plants engaged in the manufacture of pottery, chinaware, and glassware. They employ thousands of workers who depend upon this employment for a livelihood. Today, half of them are unemployed. Why?

The answer is that American industry, with all its financial strength, its managerial, technical, and labor skills, cannot compete with foreign goods which are manufactured at slave wages without some tariff protection.

Whenever we ask the State Department for a remedy to correct this condition they stick their heads in the sand of empty words and point vaguely to the escape clause as a palliative. This is a wholly unsatisfactory recourse.

A much sounder procedure would be to gain a better idea beforehand than to await damage that will be difficult to repair. The way to meet this situation is to have a competent agency make adequate investigation before action is taken.

Suppose the Army or Navy proceeded on the theory that it is better to wait until we are defeated in battle before obtaining as full intelligence reports as possible? Certainly, if information is a proper guide to action in all other fields of human endeavor, this also applies to cutting the tariff, unless we assume that the welfare of industry and its employees is of no importance.

Two years ago I proposed an amendment that would deny to Russia, Red China, and the satellite countries the benefits of reduced tariffs in agreements the United States makes with free nations. Many of the Republicans at that time refused to support it. Now I understand my orphan child is being adopted by the Republican Party and will be introduced as their own baby. I will support any amendment that will prevent economic aid being given to the countries behind the iron curtain, regardless who proposes it.

If reciprocal trade is to work effectively, it must be as a two-way street. There is no point in helping others unless they will respond by making some effort to help themselves. Great as our resources are, they are not limitless. If we go on giving and giving and giving we can exhaust ourselves and become absorbed by a world whose general level of economic activity is insufficient.

We cannot raise the world level of prosperity by pulling our own level down.

The only way we can prevent this is to keep our standards high and to make tariff concessions only to those nations which raise their living conditions and only to the degree in which they do so.

The Congress should maintain continuing interest in the manner in which supervision of tariff rates is used or abused. The most effective way of assuring this lies in lodging with the Tariff Commission the power to give authoritative guidance to the State Department on the basis of studies and investigations. With proper liaison between these two agencies, while maintaining the independence of the Commission, we could face with greater confidence the

future course of the trade-agreement program.

We should require the Tariff Commission to submit hearings and reports to the Congress. And we should further require that the President report to us directly when he acts contrary to these tariff recommendations. This is our right and our duty.

We are entitled to know the facts. If an American industry is to be jeopardized in order to provide a market for foreign goods, or to provide a foreign market for the goods of other domestic industries, we are entitled to know the considerations which prompted the concessions which bring about such a result. We were elected for the purpose of representing the people who will be affected, and we are the ones who are going to have to explain the reasons why it was necessary to destroy the industries which have provided their livelihood.

It is for these reasons that I am 100 percent for restoring the peril-point amendment to the Reciprocal Trade Agreements Act.

Mr. DOUGHTON. Mr. Chairman, I rise in opposition to the amendment, and I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. DOUGHTON. Mr. Chairman, in discussing this amendment there are two things which must be considered: First the source of the amendment; and, second, the purpose of the amendment.

As to the source of the amendment, Mr. Chairman, we all know the amendment is offered by one who is an admitted opponent of the reciprocal foreign-trade policy, a devout follower of the Dingley, Fordney - McCumber, Smoot - Hawley, Grundy tariff policy; that is the source of this amendment. I think in my colloquy with my friend from Pennsylvania the other day he admitted that he was opposed to the entire reciprocal trade policy. So much for the source of the amendment.

You have heard something about being wary of Greeks bearing gifts. We might be wary of the purpose of this amendment when we consider its source, namely, one who perhaps loses more hours of sleep studying plans, methods, and ways of crippling and weakening the foreign trade policy than any other man in this chamber today.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield to my distinguished colleague, but I want it understood that I do not question my friend's sincerity.

Mr. SIMPSON of Pennsylvania. I want to make sure of that, Mr. Chairman.

Mr. DOUGHTON. Now I do not yield for a speech, but if I have misrepresented the position of my good friend, a distinguished member of the Committee on Ways and Means, with respect to his position regarding the reciprocal trade policy, then I yield; otherwise I do not. I do not yield for a speech, because I do not have enough time.

Mr. SIMPSON of Pennsylvania. I do not know whether I understand the terms under which the gentleman is willing to yield.

Mr. DOUGHTON. I yield only if I have misrepresented the gentleman.

The CHAIRMAN. Does the gentleman from North Carolina yield to the gentleman from Pennsylvania?

Mr. DOUGHTON. Not unless the gentleman says I have misrepresented him; if I have, yes.

Mr. SIMPSON of Pennsylvania. The gentleman used my name; the gentleman referred to me; does he yield?

Mr. DOUGHTON. I do not yield for a speech. I do not want the gentleman to take up half of my time justifying his position.

The CHAIRMAN. The Chair assumes that the gentleman from North Carolina does not yield.

Mr. DOUGHTON. In my opinion the purpose of this amendment, the sole purpose is not to strengthen and make more effective and workable the foreign trade policy as embodied in the trade agreements law now on the statute books, but to so cripple and weaken it as to destroy its effectiveness. That is my opinion of the purpose of it. Therefore, I think that Members who are in this House who do believe in the reciprocal trade policy worked out, wrought out, and thought out by that eminent statesman, Cordell Hull, had better beware of the amendment offered by an avowed opponent, and supported by those, who if they cannot kill this policy, by frontal attack will try to destroy it by flank movement, by crippling amendments.

My good friend, the distinguished gentleman from New York, the ranking minority member of our committee, has said something about transfer of payrolls abroad. None of us is in favor of that unless we extend payrolls at home to a greater extent than we transfer them abroad. I call my good friend's attention to the fact that our exports of agricultural products are large when compared to our production—these are 1949 figures—we exported 616,000,000 pounds of lard, 23 percent of our production; wheat, 502,000,000 bushels, 38.2 percent of our domestic production; soybean oil, 311,000,000 pounds, 17 percent of our domestic production; milk, 623,000,000 pounds, or 12.7 percent; leaf tobacco, 510,000,000 pounds, or 25.6 percent; raw cotton, 4,748,000 bales, or 32 percent of our domestic production.

Now, what about the interest of those engaged in agriculture—those who produce the domestic surplus of agricultural products? Suppose we lose those markets? You cannot buy unless you sell. This foreign-trade proposition is not a one-way street or a one-way business. We all know that we cannot sell unless we buy.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Pennsylvania.

Mr. SIMPSON of Pennsylvania. Of course, we exported those items to which the gentleman referred, but we sent dollars over there first. We gave them dollars first, with which they bought. That

is not profitable to our country. They got the dollars and they got the goods.

Mr. DOUGHTON. The Secretary of Agriculture ought to know more about that than the distinguished gentleman from Pennsylvania.

Mr. SIMPSON of Pennsylvania. I am not sure Mr. Brannan does.

Mr. DOUGHTON. This foreign-trade policy favorably affects agriculture as well as industry. The American Farm Bureau Federation and a host of other farm, business, labor, and consumer organizations endorsed this policy as sound, as effective, and as beneficial to them, including the following: The National Farmers Union, the Chamber of Commerce of the United States, the United States Council of the International Chamber of Commerce, the United States Junior Chamber of Commerce, the American Chamber of Commerce of Cuba, the United States-Cuban Sugar Council, the American Chamber of Commerce of France, the Detroit Board of Commerce, the Tobacco Associates, Inc., the Commerce and Industry Association of New York, the National Cotton Council, the National Council of American Importers, the American Watch Assemblers Association, the National Foreign Trade Council, the American Federation of Labor, the CIO, the United Textile Workers of America, the International Association of Machinists, the National Association for the Advancement of Colored People, the League of Women Voters, the General Federation of Women's Clubs, the Women's Division of Christian service of the Methodist Church, the National Council of Jewish Women, the National Council of Catholic Women, the Catholic Association for International Peace, the Board of Social Missions of the Lutheran Church, the Board of Christian Education of the Presbyterian Church, and the Friends Committee on National Legislation.

Mr. SIMPSON of Pennsylvania. The gentleman referred to Mr. Hull who brought up this idea. Who is the Secretary of State today?

Mr. DOUGHTON. Who is what?

Mr. SIMPSON of Pennsylvania. The gentleman has referred to Mr. Hull as being the great Secretary of State who designed this program.

Mr. DOUGHTON. Yes, I have; I am proud of it and the gentleman ought to be, too.

Mr. SIMPSON of Pennsylvania. Who is Secretary of State today?

Mr. DOUGHTON. The gentleman knows. What is the use of taking up my time by asking that question?

Mr. SIMPSON of Pennsylvania. Mr. Acheson is the Secretary of State.

Mr. DOUGHTON. We have not only the Secretary of State, but the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Labor and the Secretary of the Treasury, the Secretary of Defense, and others engaged in administering this program.

Mr. SIMPSON of Pennsylvania. The gentleman knows that the Secretary of State runs it.

Mr. DOUGHTON. The gentleman seems to be greatly disturbed about the Secretary of State. The Secretary of

State has no greater voice than the head of any other Department or the Trade Agreements Committee.

Mr. SIMPSON of Pennsylvania. Well, I am concerned about him.

Mr. DOUGHTON. What has that got to do with this question? Not one thing.

Mr. SIMPSON of Pennsylvania. Oh, yes. The whole Nation is concerned about the Secretary of State. He is not a businessman, yet he has complete control over the industry in my district and in the gentleman's district.

Mr. DOUGHTON. No. I beg the gentleman's pardon. He knows that Department does not have complete control. No one department has complete control. Many departments have a part in this program, including the Departments of Defense, Commerce, Treasury, Agriculture, Labor, Interior, the Tariff Commission, and the Economic Cooperation Administration.

Mr. Chairman, I want to refer to what my good friend the gentleman from Ohio [Mr. JENKINS] had to say about the Smoot-Hawley tariff law, the law under which we had the greatest depression, the greatest unemployment, under which labor was pauperized, under which agriculture was paralyzed, under which industry was in bankruptcy, under which there were 15,000,000 laboring people walking to and fro, up and down the highways seeking work and finding none. He says the Smoot-Hawley law has been on the books a long time and we have not repealed it. That does not do justice to my good friend from Ohio because he knows very well that the Smoot-Hawley tariff rates have been substantially reduced under trade agreements now in effect.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Ohio.

Mr. JENKINS. The gentleman will admit that the Democrats never have seen fit to repeal one line of the Smoot-Hawley Tariff Act. That has never been done. Why did you not do it? That is what I asked the gentleman.

Mr. DOUGHTON. The gentleman knows surely that complete repeal of the Smoot-Hawley Tariff Act would have placed responsibility right back in the Congress for setting tariff rates on thousands of commodities, a virtually impossible task to perform wisely and effectively by legislation. Moreover, it would have been fatal to reduce our tariffs without mutual and reciprocal reductions in the tariff barriers which other countries had erected in retaliation against the high rates of the Smoot-Hawley tariff law.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. BATES of Massachusetts. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do not believe it is either a wise or a practical measure for the Congress to attempt to legislate trade agreements in detail. It is far better, in my opinion, for a scientific, nonpolitical commission who have the time and the knowledge to devote them-

selves to such a task and to perform this function for us. However, when Congress abdicates such power, it should assure itself that the industries of this country are not lost in the midst of international political shufflings. Surely, the Congress should insist that any time the administration decides that it is willing to sacrifice an industry and does this even though the Tariff Commission brings to its attention the implicit peril it will create, the Congress of the United States should be informed of such a drastic and dangerous decision. We have been very generous, Mr. Chairman, in distributing our golden eggs throughout the world but when we destroy the goose—our system of free enterprise which has made our country what it is today—we invite our own collapse and, therefore, those who depend on us throughout the world.

And what is happening today?

In the fine city of Gloucester, Mass., which is within my congressional district and at the present time the largest port in the United States for the landing of edible fresh fish, the industry is moving to Canada. Why?

In 1939, we produced in this country about 98,000,000 pounds of fresh and frozen ground-fish filets. Imports that year amounted to about 9,000,000 pounds or 9½ percent of the domestic production.

In 1948 imports had increased to over 53,000,000 pounds or 40 percent of the entire domestic production of 138,000,000 pounds. In 1950 it was estimated that imports would represent almost 50 percent of the United States production.

There is at present approximately an 11-cent-per-pound spread between local costs of fish and those imported. Do the American housewives get the benefit? They do not. They pay exactly the same for imported fish as they do for local fish. Certainly in this case, one of the most cogent arguments for free trade—lower cost to the consumer—falls to the ground.

It takes no deep thinking, then, to understand why our fishing industry is moving to Canada. The tariff established in 1939 was set at 1½ cents per pound for the first 15 percent of domestic catch and 2½ cents per pound thereafter on an unlimited basis. In view of the increase in prices and the procedure of filleting fish, which gives two and one-half times as much edible fish per pound, there is no barrier whatsoever against imports.

There is only one factor that prevents importers from driving us out of business at the moment, and that is the limited fishing facilities which are being rapidly expanded in these other countries.

The time will come when the State Department must realize these dangers and the problem in Gloucester will have to be corrected. We are giving false assurances to these countries that no administration can guarantee over a period of time. When the time comes that we are forced to take action, the injury that must be done to these countries will be much more damaging in international relations than is gained by concessions at this time.

The Merrimac Hat Corp., of Amesbury, Mass., which until recently has had to face the low-price competition of Communist-dominated Czechoslovakia, now finds that the relief it gained is only temporary because of imports which are now arriving from Japan. The landed cost of wool hat bodies in the United States from that country is \$2.76 per dozen. The total manufacturing cost of this item at the Merrimac Hat Corp., not including selling, shipping, and administrative cost on this particular body, is \$6.96. The actual amount of wool for this body costs \$4.75. How can this American firm possibly compete under these circumstances?

The leather industry in and about my district, including Salem, Lynn, and Peabody, have found it almost impossible to compete against the subsidies of foreign countries. I shall ask unanimous consent when the Committee rises that a letter from Mr. Stephen Palmer, vice president, A. C. Lawrence Co., be included at this point.

A. C. LAWRENCE LEATHER CO.,
Peabody, Mass., February 2, 1951.

HON. WILLIAM H. BATES,
House of Representatives, House Office
Building, Washington, D. C.

DEAR MR. BATES: I have your telegram of February 1 in which you say that the reciprocal trade extension bill comes up in the House of Representatives next week and that you would like to hear from me as to what effect the bill has had or may have on the leather situation.

To start off with, I might say that in the light of what has happened during the past few years, the reaction on the part of any tanner probably is that of complete frustration. The leather industry is one which believes in international trade and we live by it. In recent years, on many occasions when the leather industry has been asked questions in connection with international trade, tariff agreements, etc., industry spokesmen have repeatedly said that it is not the tariff agreements which are the crucial problem in international trade; it is reciprocity. United States tariffs on leather have been cut again and again until they are now the lowest of any important leather-producing nation in the world. To our knowledge there has been no reciprocity from others.

So-called reciprocal trade agreements have only resulted in other countries' setting up against us discriminatory measures, embargoes, preclusive trading, bilateral and unilateral trade contracts, barter, and, of paramount importance, subsidies. These artificial barriers and outright discrimination against the United States have completely vitiated the purpose of reciprocal trade agreements.

We have a very recent case which is a glaring example of what seems to be happening when it comes to our Government's interpretation of reciprocal trade agreements. This type of situation is the reason for our saying that we think our opinion, or perhaps anyone's opinion, as to reciprocal trade agreements is rather useless. Last spring, and summer chamois leather from the United Kingdom was dumped into the United States at prices below the cost of United States tanners' raw material. Obviously, this could not be done in any other way excepting through subsidy. The trade in this country knew that the English tanner was subsidized and it was common knowledge in the United Kingdom. This subsidy was only a part of the official plan of the English Government as demonstrated by official publications. When we, as United States tanners, asked for protection against such out-

rageous dumping, we were told by Government officials, after months of insistent questioning, that there was no subsidy within the precise language of the law.

From our viewpoint, so-called reciprocal trade agreements are nothing more than mockery and hardly worth the paper they are written on. In actual practice, under these agreements our leather tariffs have been cut to the bone. Other nations apparently have openly violated such agreements and we are no longer protected against foreign internal subsidies, Government monopolies, embargoes, cartels, and all sorts of discriminatory measures practiced against United States trade which our Government has tolerated abroad and which have not been practiced in the United States.

May we say, therefore, that if any reciprocal trade agreement is allowed to continue to function as it has in the past few years, then it is rather useless. Any reciprocity, from our standpoint, has been from the United States only, and in the long run the result most surely will be detrimental to American industry and American labor.

Sincerely,

A. C. LAWRENCE LEATHER CO.,
STEPHEN PALMER,
Vice President.

Down through the years our shoe industry has been seriously affected by foreign trade. Those in my area will never forget how 19 major shoe factories were closed by a flood of Czech imports. We must make certain this will never happen again.

In a letter addressed to me on February 5, 1951, Mr. Norman J. Randell, executive secretary of the Lynn Chamber of Commerce, informed me:

The Italian, Swiss, French, and Austrian countries present serious competition to the American shoe industry. They purchase styles and designs and leather in this country and the work is mainly done in people's homes, therefore, they are able to market fine shoes at a lower price than the American market. If trade barriers are let down, we will be unable to compete at all.

Our trade agreements must be mutually beneficial in order to be reciprocal.

The peril point should be unanimously adopted by this body.

MR. MILLS. Mr. Chairman, I wonder if we cannot agree on a time for concluding debate on this amendment. How many Members want to be heard on the amendment? I observe 17 Members are standing.

There is no thought on the part of anyone on this side to close off debate. However, I think it is understood that we would like to dispose of the bill today, and there are other amendments to be offered.

MR. CHAIRMAN, I ask unanimous consent that all debate on the pending amendment close at 2 o'clock.

MR. NICHOLSON. I object, Mr. Chairman.

MR. SIMPSON of Pennsylvania. I suggest we let the debate run on for a little while.

MR. EBERHARTER. Mr. Chairman, I move to strike out the last word.

MR. CHAIRMAN, a few minutes ago it was stated on the floor in the debate that the control of this program was in the hands of the Secretary of State. I disagree with that, and that is the reason I take the floor. The act requires that the Department of Defense, the

Department of Agriculture, the Department of the Interior, the Department of Commerce, the Department of Labor, and the Economic Cooperation Administration take part in the program; so the statement that the Secretary of State has control of the program, I think, is in error.

MR. CHAIRMAN, the press of the country is overwhelmingly in favor of the continuation of the present program for a period of 3 years. In addition, some Members may be surprised to know the various organizations that support the present program. So that they may become aware of what responsible organizations support this program as is, I read into the RECORD the following list of organizations that have gone on record as supporting this program:

The American Farm Bureau Federation.
The National Farmers Union.
The Chamber of Commerce of the United States.
The United States Council of the International Chamber of Commerce.
The United States Junior Chamber of Commerce.
The American Chamber of Commerce of Cuba.
The United States-Cuban Sugar Council.
The American Chamber of Commerce of France.
The Detroit Board of Commerce.
The Tobacco Associates, Inc.
The Commerce and Industry Association of New York.
The National Cotton Council.
The National Council of American Importers.
The American Watch Assemblers' Association.
The National Foreign Trade Council.
The American Federation of Labor.
The Congress of Industrial Organizations.
The United Textile Workers of America.
The International Association of Machinists.
The National Association for the Advancement of Colored People.
The League of Women Voters.
The General Federation of Women's Clubs.
The Women's Division of Christian Service of the Methodist Church.
The National Council of Jewish Women.
The National Council of Catholic Women.
The Catholic Association for International Peace.
The Board of Social Missions of the Lutheran Church.
The Board of Christian Education of the Presbyterian Church.
The Friends Committee on National Legislation.

MR. CHAIRMAN, these associations have seen this program in operation since 1934. These associations know the effect this program has on the general economic welfare of the country. The labor groups, both organized and unorganized, know what effect it would have on the high wages of the people of this country if we throw up a Chinese wall around our industry and are not able to export goods. It will shut down factories in every State and every community of the Nation if other countries refuse to buy from us. You can say what you want about a few individual industries being hurt, but you are going back to the old Smoot-Hawley system if you adopt this peril-point amendment. You will be going back on your friends throughout the world with whom we have established good will. You will be going back

to the isolationist policy. You will be branded as isolationists. You do not think that the newspapers and the editors of the newspapers of this country and the subscribers of those newspapers are so wholeheartedly in favor of this program if it is hurting American industry in general, do you?

Should we pick out one industry and say that industry has suffered, and therefore we must destroy much of the export business of the country? That is what you will be doing if you adopt crippling amendments such as this one undoubtedly is.

Mr. Chairman, the Committee, if it adopts this peril-point amendment and the escape-clause amendment as proposed, will be taking a stand today which will definitely brand the country as going back on its friends. America today is established as a leader of the world, as a country that wants to promote trade among the nations of the world, as a country that wants to promote good will. If we cripple this program of reciprocal trade agreements, those who vote to do so will be branded as isolationists insofar as trade is concerned, insofar as our friends are concerned, and insofar as the good will of the balance of the world is concerned.

We should be careful what we may do because of a few instances wherein a minor domestic industry has complained of competition from imports.

The CHAIRMAN. The time of the gentleman has expired.

Mr. POTTER. Mr. Chairman, I move to strike out the last word. Mr. Chairman, the gentleman who has just concluded addressing the committee, the gentleman from Pennsylvania, is quite concerned about us turning our backs on our so-called friends overseas. Well, I am more concerned, Mr. Chairman, about not turning my back on the workman of this country. I also would like to point out to the gentleman from Pennsylvania that in my district I have over 3,000 men who are employed in the tannery industry. Last spring I received a petition signed by every member of the three labor organizations requesting me to intercede for them with the Reciprocity Committee and the Secretary of State in an effort to protect their industry and protect their jobs against further tariff reduction on leather and leather products. There is no doubt in their minds and there is no doubt in my mind that if the war in Korea had not developed, those men would be out of their jobs. They would be out of jobs where they have skills which require long training and experience. I have in my hand a pair of gloves which my secretary purchased this summer for 59 cents. These gloves were made in Czechoslovakia, a Communist-dominated country, a country where they utilize slave labor. These gloves, so I am told, cannot be manufactured in the United States, by an American company hiring American labor, for less than \$2.50. How do we expect American industry to maintain their high standards of living and high wage scales which we

want them to have, when they have to compete against foreign cheap labor and slave labor.

I say to you that if we continue our present policy of reciprocal trade, which is not reciprocal, we will lose many vital industries and force many men into unemployment if we ever reach a period when we are not at war.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. POTTER. I am happy to yield to the distinguished gentleman from New York.

Mr. REED of New York. I just wanted to call the attention of the gentleman to the fact that there are people who say, "Well, what about the consumers? They should be able to buy in the cheapest market." Here is what happens: When they have driven our industry out of business and our labor out of work, then they put the prices up away beyond what they were before.

Mr. POTTER. The gentleman is absolutely correct. And what good does it do to have cheap commodities if our workmen are out of jobs? Industries, such as the pottery industry, wood products, fishing, and the leather industry, will either be abandoned or wage cuts will have to be made if we are going to compete with foreign labor.

They talk about reciprocity. We do not have reciprocal trade with these other countries that are producing leather. As a matter of fact, our foreign trade had declined prior to the Korean War, while imported goods had flooded our markets.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. POTTER. I yield to the distinguished gentleman from Pennsylvania.

Mr. SIMPSON of Pennsylvania. Does the gentleman know that today, 17 years after the program started, there are more restrictions and more limitations on free trade than there were when Mr. Hull had his idea?

Mr. POTTER. The gentleman is absolutely correct.

Mr. Chairman, I would like to read a letter which I wrote to the chairman of the Committee for Reciprocity Information. This letter was written May 22, 1950.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. REED of New York. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for three additional minutes.

Mr. TACKETT. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York and the gentleman from Arkansas?

There was no objection.

The CHAIRMAN. The gentleman from Michigan is recognized for five additional minutes.

Mr. POTTER. I thank both the gentleman from New York and the gentleman from Arkansas.

I would like to read this letter which was written on May 22, 1950:

Mr. EDWARD YARDLEY,

Executive Secretary, Committee for Reciprocity Information, Washington, D. C.

DEAR MR. YARDLEY: It is my understanding that open hearings will commence before the Committee on Reciprocity Information Wednesday, May 24. It is my privilege to represent the Eleventh Congressional District of Michigan in which are located several tanneries. These tanneries employ many hundreds of men.

The tariff on leather has been reduced time and time again making it ever more difficult for our leather industries to compete with foreign competitors. This competition is grossly unfair. The foreign competitors utilize cheap labor, some of it being slave labor. We in the United States on the other hand believe that labor should receive the highest possible wage, in order to maintain a decent standard of living.

I have received several hundred letters from employees of the various tanneries in my district protesting a further tariff reduction on leather and leather products, which will be an item for negotiation at the coming tariff conference this September. It is becoming increasingly difficult for our tanning and leather products industries to operate successfully due to this foreign competition. A further reduction in rate would force many of our companies out of business with the resultant effect of loss of employment to hundreds of skilled workers in my district alone.

The theory of reciprocal trade is not working as was the intent of Congress. The countries with which we have negotiated trade agreements have violated the principle of reciprocal trade by imposing embargoes and other obstacles upon American manufactured goods in order to protect their own industries. In other words, reciprocal trade—as presently applied in world trade—is a one-way street. We lower our tariffs to a point where foreign competition forces industry after industry to close and at the same time our exports are decreasing. If further reductions are made in tariffs, it will mean increasing unemployment in the United States; it will mean a gradual lowering of our standard of living and it will force the working men and women of the United States to either accept lower wages or be forced out of employment.

You will have before your Committee on Reciprocity Information protesting the action by the United States, representatives of the leather industry—The Tanners' Council of America, The Luggage and Leather Goods Manufacturers of America; the International Fur and Leather Workers Union, and others. I request your committee to heed the protests that will be made by the organizations representing both the manufacturers and labor.

Very sincerely yours,

CHARLES E. POTTER,
Member of Congress.

This protest has been made on behalf of the laboring men in the leather industry. Leather products was one of the items which were to be considered for further tariff reduction. If the Korean War had not come along, these industries would have been out of business. It is a sorry situation that recipient trade agreements does the American people great harm unless we are at war. I hope the administration does not plan on war as a permanent policy.

Mr. BAILEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I asked for this time in order to clear up some questions that have been raised in this extended debate

on the so-called peril-point provision. Let me preface my remarks by saying that I am in sympathy with what the gentleman from Pennsylvania is trying to do. I shall support his peril-point amendment. But I would like for the members of the committee to realize that the peril-point proposition has its limitations. You must not get the idea that the peril-point provision will solve the basic problems that need to be solved to bring relief to your vast industries. I will give two or three examples to illustrate the point I am making.

All the peril-point proposition can do if followed to its fullest conclusion is to restore the basic rates in the Smoot-Hawley Act of 1930. Let me give an example to the gentleman from Texas who made such an excellent speech. He has a lot of independent oil in his State. The Smoot-Hawley bill assessed an import duty of 21 cents a barrel on crude oil. That has been reduced under the reciprocal trade agreements policy to 10½ cents. Considerable testimony was taken by both the Senate and House committees last year on the danger to the independent oil industry and the coal industry, and it showed that it would take \$1.05 import duty per barrel of crude oil to preclude and prevent injury to the coal industry and the independent oil industry of this country. I point that out, and I propose to support the amendment because it is a step in the right direction. However, we must find an avenue of escape for harassed industry through a properly worded and properly delegated escape clause, which I understand the gentleman from Nebraska will offer before debate has closed on the proposition to extend this act.

I want to call attention to another instance to show that this peril-point proposition will not solve all of the difficulty. We have a freeze order here on highly tempered steel that is used in the manufacture of clothespins. I have the largest clothespin factory in the world in my district. What is happening? That industry will not be able to get this highly tempered steel. It happened back in World War II. Sweden, our chief competitor in the clothespin industry, takes over the American market because she did produce prior to World War II and sell clothespins for 49 cents a gross in New York City, while it cost 81.3 cents a gross to manufacture them in my plant in West Virginia. The minute the war ended, Sweden brought her price down to 42 cents. But while the war was on she raised that price up just as high as the American market would stand.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from New York.

Mr. REED of New York. Has that not always been true in the history of our country, away back to the dye plants which were driven out of existence in this country? When they once capture the American market and crush our local industry, then they immediately impose higher rates.

Mr. BAILEY. They take their pound of flesh.

Mr. REED of New York. I thank the gentleman.

Mr. BAILEY. Mr. Chairman, I call attention to the need for a real sensible approach that will allow the industry to be given consideration. I am not speaking for the five industries that are vitally affected in the State of West Virginia. I tried that in 1945 and in 1949 and I got run over with a steamroller.

The gentleman from Nebraska [Mr. CURTIS] will offer an approach to this problem, which I will support, although I shall probably offer a substitute amendment. This would provide an escape for every industry in this country if it is harmed by foreign importations. It will be a simple procedure that will allow the President to initiate it, the Tariff Commission to initiate it or an industry that thinks it is harmed can initiate it by asking the Tariff Commission for a hearing. It is up to the industry to show they are injured. But we must have an escape clause because of the fact that we are going to have more than 200 critical articles frozen in this country.

The CHAIRMAN. The time of the gentleman from West Virginia has expired.

Mr. D'EWART. Mr. Chairman, I rise in support of the pending amendment.

Mr. Chairman, I shall also support the escape-clause amendment that will be offered a little later. I shall endeavor at this time to show how the reciprocal trade program has injured the wool industry.

Mr. Chairman, the recent repeated reductions in tariff duties have been a major factor contributing to the present low estate of the wool and sheep industry in this country. We find ourselves today with the fewest sheep since records have been kept, at a time when we need wool for the war effort. A brief review of the policies that produced this dangerous state of affairs will help in an understanding of reciprocal tariffs. Under the threat of war this country is producing less wool, an absolutely essential war material, than in any year of record. Why is this?

The total domestic production of shorn and pulled wool from 1933 to 1944 averaged 434,800,000 pounds. In 1945 it was 397,000,000 pounds; in 1948 it dropped to 280,000,000 pounds—and for 1950 it was estimated at 212,000,000. The United States had 53,000,000 sheep in 1933. This number has declined to 46,000,000 in 1945, 34,000,000 in 1948, and an estimated 27,000,000 at the present time.

During this period our domestic consumption of wool has been on the increase. But instead of expanding to supply this demand, the domestic wool industry has declined and imports of foreign wool have increased tremendously.

Stocks of wool on hand have diminished from about 1,000,000,000 pounds in 1946 to an estimated 200,000,000 pounds at the present time. There is no stockpile of wool with which to clothe our armed services, to say nothing of the civilian population, yet we have known throughout history that wool is essential to clothe troops warmly and that great armies—Napoleon and Hitler learned this lesson in Russia—must have warm woolen clothing.

The average annual import of wool in the prewar years, 1930-40, was 64,000,000 pounds. In 1941 the first tariff concessions were negotiated on wool, with Argentina, and immediately imports began to increase. In 1946 imports of South American wool were more than twice the prewar level, and from Argentina they were three times the prewar quantity. The total was near 1,000,000,000 pounds. This was the high point of wool imports, which have since leveled off at about 600,000,000 pounds per year. The total for 1950 is estimated at 500,000,000 pounds.

Imports of woolen fabrics—excludes piles: 1947, 4,612,000 yards worth \$8,368,000; 1949, 8,217,000 yards worth \$18,416,000; 1950—first 10 months—14,891,000 yards worth \$25,822,000; when November and December figures in, it will be twice the previous year.

The chief source of wool and wool textiles are Australia and England. In 1947 textile labor costs were three times higher in the United States than in England, and ranching costs, including herding, were 4 or 5 times higher than in Australia. This was after we had reduced the tariff on English textiles as much as 40 percent, and on raw wools, 25 percent.

As I have said, our consumption is running in the neighborhood of 1,000,000,000 pounds per year in normal times, far more than that in wartime. Our production has decreased from 435,000,000 pounds in 1933-44 to half that amount in 1950.

The tariff reductions and trade concessions negotiated from time to time have been perhaps the principal factor in the decline of the wool industry here in the United States. These concessions have been made in the face of repeated warnings from those who recognized the need for a sound sheep industry in the United States. We could not expect, perhaps, to supply all of our domestic requirements, but a healthy industry, capable of supplying at least one-third to one-half of our requirements, is the bare minimum for safety. The lack of foresight which prompted the destruction through tariff policy of the domestic sheep industry is going to cost the taxpayers of this country untold sums to provide the wool necessary for the uniforms our soldiers need. At the present time there are American agents in Australia and England making every effort to buy this vital material and they will have great difficulty in acquiring any sizable supply of wool. Is it not incongruous that at the same time other Americans are sitting at Torquay, England, in a trade concession conference with 38 other countries at which one of the items on the bargaining list, for further tariff reductions, is wool?

Mr. Chairman, the production of wool is an exceedingly important industry in the 11 Western States, covering an area from Texas on the south, the largest producer, to Montana in the north where it is one of our largest industries. It makes use of a natural resource—grass grown on some 800,000,000 acres—that would not otherwise be used. The United States should have the maximum num-

ber of sheep, gathering this resource and processing it into a commodity vital to our economy and to our national defense.

We should not overlook the coproduct, lamb and mutton, which is in short supply because of this same discouragement of the sheep industry. A proper supply of lamb and mutton would make a tremendous contribution to a better diet for our people.

Someone will remind me that today wool is quoted at the highest price in its history. This is true, and it is true because of the policy followed by our administration in dealing with wool under the reciprocal-trade program and the related policies of the OPA which fixed the price of wool at an unrealistically low figure during the wartime wool purchase program. The price of domestic wool is still lower than prices anywhere else in the world.

The January 1947, issue of *Fortune* magazine carried an obviously inspired article entitled "The Trouble With United States Wool Is That It Is Uneconomic." In a subtitle were these comments: "The industry subsists on excessive tariffs, wartime subsidies, and political shenanigans." Well, the tariffs were lowered, the Government bought all the wool during the war at a price so low that the wool industry in this country withered and nearly died. There were no wartime subsidies, tariff favors or political shenanigans in this, unless the obtuse attitude of the administration could be called political shenanigans. The result is, as I have shown, that sheep numbers in this country have decreased to the lowest on record and we have agents in Australia and England today trying, we hope not in vain, to buy wool supplies necessary to our war effort. As many of us predicted, when we protested tariff reductions, the decline of our sheep industry has left us at the mercy of foreign producers. We cannot do without wool and we must buy it on their terms. We must bid for it in competition with Russia and her satellites.

Mr. Chairman, today we have before us a proposal to extend the reciprocal-trade program. One of the factors that has contributed so greatly to our unfortunate wool situation, at a time when we must have wool for our soldiers, is this same program.

It is proposed that the legislation before us be amended in two instances so that industries vital to our national defense and our economy can be protected.

Amendments will be offered that would include in the legislation a peril-point clause and a workable escape clause. I am firmly convinced that the adoption of these two amendments is the minimum necessary if we are to have a domestic wool industry.

The National Wool Growers Association adopted the following resolution at its annual convention in December 1950:

The National Wool Growers Association desires to reaffirm its position, stated many times in past conventions, that the maintenance of a sheep industry in the United States of sufficient size to prevent wastage of forage growth as well as to assure our Nation a continuous supply of meat and

wool depends primarily on the assurance of a domestic price which will equalize the cost of the production here with that in those countries which are permitted to sell in our market.

We believe that, from the standpoint of all parties concerned, the cheapest as well as the most effective method of accomplishing this end is the use of an adequate tariff.

We again emphatically reaffirm our position in believing that an adequate tariff on wool, lambs, and sheep is the bulwark of strength for our American sheep industry.

We view with grave alarm the report that the Australian Minister of Commerce, Mr. John McEwen, has told the House of Representatives that Australia is seeking a substantial reduction in American duties on the imports of wool; also that Mr. McEwen said the request had been submitted to the tariff conference now in session at Torquay, England.

Mr. Chairman, I agree with this resolution.

The answer to our wool problem is to rebuild the sheep industry. Lowering the tariff does not result in lower costs to the user in this country. Witness the present highest price on record after repeated lowering of the tariff. Let us protect this great industry so necessary to our war effort, an industry that gives employment to over 100,000 people in the West, makes use of a great natural resource that would otherwise be wasted, and that adds to the health and enjoyment of all.

(Mr. D'EWARD asked and was given permission to revise and extend his remarks.)

Mr. BRYSON. Mr. Chairman, I rise in support of the pending amendment.

Mr. Chairman, on January 16 of this year—in company with several of my colleagues—I journeyed down to our State capital city of South Carolina to witness the inaugural ceremonies of one of our former colleagues as he was inducted into the office of Governor of our State. In Governor Byrnes' inaugural address, he warned that we cannot successfully prosecute or defend this threatened global war strictly as Democrats or Republicans. Said he:

In times like these, we must rise above party politics and stand and fight as Americans.

Mr. Chairman, from what I understand, the pending amendment is not in accord with the views of my party. We have heard the distinguished gentleman from North Carolina, Hon. Bob Doughton, chairman, Ways and Means Committee, speak against the amendment. When I find myself in disagreement with such Members as the gentleman from North Carolina [Mr. Doughton], I reexamine my views because of my high regard for him. Reference has been made here to one of our greatest Secretaries of State, the Honorable Cordell Hull, who served during World War II. I have implicit faith in his judgment but even he could be in error. Soon after coming to Congress—which was long before Pearl Harbor—in company with some of my then colleagues, I went down for a conference with Secretary Hull calling his attention to the ever increasing export of scrap iron to Japan. The Secretary contended that we must keep up a trade balance with Japan, but we

advised him to be cautious for fear trouble would ensue. The Secretary would not interfere with the export of scrap iron to Japan, and ultimately, much of the self-same metal came back home in the bodies of our gallant sons. Thus it is, Mr. Chairman, that none of us are invincible.

Mr. Chairman, the subject of tariffs is an exceedingly technical one. I do not pretend that I am capable of understanding all or even many of its implications. I do have more than a half-century's practical experience, and I now draw upon my own experience and observations.

It is my privilege to represent a district in which I am told there are more spindles and looms than any other congressional district in the world. I sprang from the loins of those who spin and weave the products of our fields into the beautiful and useful fabrics so sorely needed to clothe the nakedness of the world. I was advised during the last war that textiles were among the most essential items in the war program. In June of last year, I appeared before the Committee for Reciprocity Information, Tariff Commission, in opposition to any further cut in tariffs on imported cotton textiles. Under date of June 7, 1950, I pointed out from the well of this House the grave threat to our high standard of living among textile workers by the increasing importation of Japanese textiles. I was amazed to find the facts to be as they were then. Since that time, I have given further study to the problem and have found that India, the second largest cotton producing country in the world, likewise presents a grave threat to our textile way of living. The record reveals that although approximately half of India's textiles are produced by hand, she is able to export her textiles to our country in opposition to the products from our modern looms at far less cost to the public. This, of course, is understandable when we know that while textile employment in India is considered of the highest type, the average annual wage of a textile worker in India is \$67. This annual wage is little more than the weekly wage of the textile workers in my district. Manifestly, our textile industry here at home cannot cope with or survive against such slave labor wages. As you know, a conference is going on now at Torquay, England, studying suggestions for further lowering tariffs. I sincerely hope that due caution will be taken before any other reductions are authorized.

As in the past, I intend to vote for this reciprocal trade agreement. I believe that the adoption of this amendment will be a proper safeguard. I call upon you as Americans, without regard as to which side of the aisle you sit on, to rally around the support of this proper amendment.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of this amendment. I want to go on record here and now as being very much concerned about this whole program. In the early thirties Jan Bata, foreign shoe

manufacturer, sold shoes in the United States and flooded the market in competition with the Endicott-Johnson products and many other American shoe concerns. He established a Bata Shoe Co. here, but for some reason was unable to maintain labor standards, so he folded up and went back to Europe. When Hitler took over Central Europe Bata kept on producing, only he produced shoes for the Hitler war machine. Since then he or his successors have been relegated to a position behind the iron curtain, but it is my understanding that the Bata Shoe Co. is still making shoes. There is a strong possibility that they may be in direct competition, if the State Department gets its way, with Endicott-Johnson shoes. I am talking today not from the management standpoint of this great corporation because the management did not consult me on this matter.

I am talking for the 20,000 patriotic men and women who make shoes and the finest kind of shoes for the American people in the Endicott-Johnson workers' democracy in the Triple Cities area. They are now fulfilling or attempting to fulfill orders for millions of pairs of shoes for the Armed Forces of the United States. About 6 months ago I had a flood of postcards from Endicott-Johnson workers, 20,000 of them, demanding that I contact the State Department to protest and protest loudly the possibility that they were proposing to scrap the American selling price for rubber footwear and rubber-soled footwear. This would have thrown thousands of these workers out of their jobs. When I consulted the State Department the answer I got was, "It is all in this reciprocal trade program. We cannot help it. If we throw out a few hundred workers in a certain industry here, or a few hundred or a few thousand in a certain industry there, we cannot help it. It's just too bad, but it is in the program."

Those are the words in answer to the request that I made for consideration of these shoe workers. It is serious because those shoe workers in my district have a time-honored profession. They have worked at their trade in some cases for 20 or 30 years. It is a disgrace and an insult for the State Department to say to them, "It is just too bad, but you will have to find work elsewhere. Our program must go on whether or not thousands of Endicott-Johnson workers are going to be dropped from the payrolls." That means those men will have to find jobs elsewhere. Either that, or it is a problem of the WPA, or wanting that, it will be a problem for local relief.

Can any of us afford to get into a position of that kind where we, representing patriotic American workers, can say to them back home, "I voted for a program which is going to jeopardize your jobs. I voted to continue the direct competition of Japanese-made shoes which will flood the country in the event the American selling price is scrapped or in the event that the peril-point amendment is not adopted?" Is it going to be your position to say, "I voted for a program which will allow shoes to flood this country which are manufactured

behind the iron curtain, which supplied the footwear for Hitler's armies." Is it going to be your policy to say, "I voted for a program which will favor workers behind the iron curtain and in Japan, and will let down the bars so that 20,000 Endicott-Johnson workers are going to be jeopardized in their jobs"? Are you going to say that the shoe workers and others in many of the key industries, and in other hundreds of industries throughout the United States are going to be penalized because we approve this policy? I am against the whole program unless this amendment is adopted.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. VAN ZANDT. Mr. Chairman, I rise in support of the amendment, and I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. VAN ZANDT. Mr. Chairman, since I came to Congress in 1939, I have supported the reciprocal trade agreements with an understanding that they were enacted in June 1934 under emergency conditions and were designed to assist in the restoration of the American standard of living, overcome domestic unemployment, expand foreign markets, and promote world trade. In later years they have been continued on the basis that they were a vehicle to be employed in achieving universal world peace.

In 1948 when extension of the Trade Agreements Act was before Congress, I supported it with one reservation, and that was my approval of the peril-point amendment to safeguard American industry.

At that time we were told by advocates of the reciprocal trade agreements that their impact on the wage earners of America was negligible. We were informed that the peril-point provision of the act was unnecessary and that the Committee for Reciprocity Information would take testimony from the industries concerned and that complaints would be investigated and adjustments would be made.

During the succeeding years of 1949 and 1950, the effects of imports on the jobs of the American wage earner became a matter of grave concern. The situation developed to the point that key industries in my congressional district, as well as throughout the United States, began to lodge vigorous complaints with Congress against the importation of cheaply manufactured and in some cases slave-labor products from behind the iron curtain. These American business concerns were joined in their protests by representatives of the trade-union movement as well as by individual workmen and their families.

Like many of you I complained to the Department of State and was referred to the Committee for Reciprocity Information. The Committee replied with the stock argument that conferences were being held at home and abroad and when concluded, recommendations would be made to correct any abuses. At this moment I want to be brutally frank by

stating that, in my opinion, the Committee for Reciprocity Information is nothing but a window-dressing agency through which complaints are pigeon-holed.

You will recall that a year ago we were in a comparative state of normalcy in the field of American business and that the threat of war was not so clearly pronounced. Therefore, we should consider the effects of imports on employment of the American workingman from the standpoint of conditions in 1950, and not during periods of emergency when American production is at its height.

Since 1948 it has been almost a daily occurrence for Members of Congress in both parties to arise and deliver a statement showing the ill effect of cheaply made foreign products on industries in various congressional districts. Surely, you recall the Waltham Watch Co.'s experience, and the many speeches protesting the importation of Russian crab meat, foreign oil, hides, pottery, glassware, cotton and woolen textiles, and numerous other commodities.

At that time, as a Member of Congress from Pennsylvania, I joined with my colleagues from nearby West Virginia and Maryland in protesting the importation of bunker oil from the Middle East that was rapidly displacing the use of coal in our respective States.

The complaints against foreign imports became so numerous and bitter that a subcommittee of the House Committee on Education and Labor conducted public hearings for several weeks last May and June on the subject.

Spokesmen for management and labor representing some 28 industries testified that the effects of foreign imports were devastating and immediate relief was urged. Members of Congress, both Democrats and Republicans, appeared before these congressional committees and supported the views of their constituents.

In my opinion, the testimony given at these hearings and which has been printed as a public document, a copy of which I hold in my hand, without doubt represents the most bitter and factual indictment of the administration of the Reciprocal Trade Agreements Act.

Let us see what Mr. O. R. Strackbein, chairman, the National Labor-Management Council on Foreign Trade Policy, and executive secretary, America's Wage Earners Protective Conference, said in testifying on May 2, 1950, before the subcommittee of the House Committee on Education and Labor. His testimony appears on page 12 and includes the following statement:

The Reciprocal Trade Agreements Act, as has been administered and as it is proposed at this time to continue to administer it, is a threat to employment in this country.

Mr. Strackbein represents a good cross section of labor-management groups affected by foreign imports and is recognized as an authority on the subject.

To further support this indictment of the Reciprocal Trade Agreements Act, it is well to consider the testimony given by the following spokesmen for industry and labor.

Mr. J. M. Wells, representing the United States Potters Association said:

Total sales of the members of our association for 1949 dropped to \$64,000,000 from \$77,500,000 in 1948, or a loss of 17 percent.

During that same period imports of competitive dinnerware increased more than 24 percent.

Mr. Patrick McHugh, secretary, Atlantic Fishermen's Union, Boston, Mass., testified that—

When fish from foreign countries are landed at lower prices than in our own, the competition is felt quickly. Today the wholesale prices are about 10 percent lower than 1948. Imports reached a peak in 1948, with the exception of the first quarter of 1950, and amounted to nearly 54,000,000 pounds, which is nearly 30 percent of our total consumption.

Mr. C. W. Gustkey, president, Imperial Glass Corp., said that—

Our industry in 1948 produced and sold approximately \$35,000,000 worth of hand-made glassware. In 1949 our industry produced and sold about \$37,700,000 worth of merchandise, which reflects a decline of nearly \$5,000,000.

He continues by saying:

Imported glassware sold in the United States in 1949 had a market value at American factory price level of approximately \$6,000,000. In 1948 the similar total volume was \$1,000,000 smaller than in 1949.

Mr. Gustkey stated:

The imported glassware sold in the United States in 1949 represents about 20 percent of our domestic production.

Mr. Marx Lewis, general secretary, United Hatters, Cap, and Millinery Workers International Union, testified that—

In a declining industry such as ours, imports run close to 20 percent, and this year it is expected it will go above that—we do not know the exact amount—but it becomes a serious problem, one which affects the employees and the earnings of the workers.

Mr. Matthew W. Davis, vice president of the International Council of the Aluminum Workers Union, said in his testimony that—

Until 1947, imports on aluminum were no problem in this country but effective January 1, 1948, the tariff was substantially reduced. As a result, Canadian aluminum has invaded the United States market in such large quantities as to become a very serious threat to employment in the domestic aluminum industry.

Mr. W. L. Carver, managing director, the Wall Paper Institute, testified that—

Imports amount to 15 percent of the domestic manufacturers' delivery of papers of comparable price class. Not only is the volume of these imports on a sharply rising trend, but there is evidence that with currency devaluation, the field of the raiding of our market and employment opportunities will broaden rapidly.

Mr. H. B. Fell, executive vice president, Independent Petroleum Association of America, said:

The value of crude-oil production in the United States was \$5,245,000,000. In 1949 it was only \$4,690,000,000, or a decrease of over \$500,000,000. This was due primarily to the excessive imports of foreign oil, and resulted in considerable unemployment in the oil and gas industry in the United States.

Mr. Joseph T. Berta, president, Pennsylvania Coal & Coke Corp., said in his testimony that—

Imports of foreign oil—now flowing freely into the United States at a rate approaching a million barrels daily—threaten to disrupt seriously our employment situation.

Mr. Thomas Kennedy, vice president of the United Mine Workers of America, told the subcommittee that—

But we also realize the writers of the Trade Agreements Act did not intend the tariff reducing agreements to injure the American economy as they are now doing. The present flow of import oil has gravely disturbed our American economy. If it continues, and increases as the prospect seems to indicate, we shall witness a complete disrupting and revamping of our American fuel pattern.

Mr. Chairman, representing as I do, a congressional district where bituminous coal is the backbone of our economy, I wrote to President Truman asking him to exercise the authority he has under the Reciprocal Trade Agreements Act by increasing the tariff on foreign oil to save the jobs of American workingmen. The President replied on June 12, 1950, as follows:

Naturally, I am very much interested in the welfare of all segments of the economy of the United States but I have yet to be convinced that anybody is being hurt by the present situation in oil.

I disagreed with the statement of the President and still disagree with it because this time last year foreign imports were destroying the jobs of American workingmen. This is evidenced by the testimony I have quoted and I could supplement it with numerous statements from representatives of the fur, hides, textile, gas meter, steel, leather, and paper industry.

Mr. Chairman, I realize that I am not going to change any votes on this legislation by my remarks. I want to assure you that the people I represent are suffering from the evil effects of foreign imports and I cannot in good conscience continue to support the Reciprocal Trade Agreements Act because of the manner in which it has been administered.

In a few words, the trade agreements are revealed to be an international log-rolling program conducted at the expense of American industry and American wage earners, and for that reason I cannot conscientiously vote for their extension.

Mr. GROSS. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. Gross moves to strike out the enacting clause of H. R. 1612.

The CHAIRMAN. The motion is not in proper order and, therefore, cannot be entertained.

Mr. VURSELL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we have had a test of the reciprocal trade agreements for many years and I think after the debates we have had session after session we have finally begun to see through this thing and the great majority of the

American people are beginning to understand it. It has proven a failure. Certainly the least we can do in this session of Congress in my judgment is to establish the peril-point policy and then write a real escape clause that will protect, I might say, almost the God-given right of industry, management, and the laboring people of this country to protect their jobs and thereby help to protect the economy of our country.

We are facing serious times ahead; we need to increase the power and strengthen the economy of this country. I think that the economy of this country and the best interests of this Nation demand that we take such corrective action with reference to reciprocal trade agreements here as representatives of the people, that will protect the just interests of the laboring men and of all of the people of the country.

They talk about 60,000,000 people employed, the trade agreements has never had a chance to operate because we have either been in war or working under the rumors of war most of the time. But they came near having an opportunity, may I say, to operate in 1948 and 1949. Then we had 3,500,000 people out of work and they were being laid off daily. Why? Because of the influx of foreign-made goods into the American market selling for prices lower than they could be produced here at the high standard of wages paid the American wage earner. Being a member of the Committee on Public Works I remember how representatives of the Administration came before our committee offering bills of authorization to be laid on the shelf, authorization to start public works here, public works there.

They knew that the policy of these reciprocal trade agreements and low tariffs were so destroying the economy of our country that they were going to have to be faced and they began to make ready to add to the budget expense of this country and to provide made work for the American people. That was the result of only a few months of our experience with these trade treaties.

Talk about labor supporting reciprocal trade agreements, the CIO met here in the city of Washington in 1949 with the oil industry and said "We want to help you in any way we can to raise the import duties and to prevent foreign oil from flooding this country with the duties having been cut over 50 percent." They testified before a subcommittee down in the southwestern part of the country, the head men of the CIO of that great region down there where the oil industry operates so intensively, urging that the import duties be raised because hundreds and thousands of their workmen drawing high salaries were being thrown out of jobs. Where did they go? They went on to the pitiful relief rolls. Yes at the expense for doles from the Federal Treasury.

I happen to represent a county in my district that mines 60 percent of all the fluorspar mined in this country. Hundreds and hundreds of those men were thrown out of work because of the importation of the low-wage fluorspar products

of Mexico and some other countries that flooded the market. The representatives of the fluorspar industry of the Nation, when they were getting ready to cut the tariff again at Torquay, England, protested the lowering of the tariff on the importation of lead, lead derivatives, and fluorspar.

I went before representatives of the State Department in opposition to further tariff reductions. I was courteously received but, of course, without effect.

The State Department has never given relief in such instances, and the time has come for the Congress to assert itself and write peril points into this legislation, and to write into it an emphatic escape clause that will protect industries in this country from being ruthlessly destroyed.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. GROSS. Mr. Chairman, I move to strike out the requisite number of words, and ask unanimous consent to proceed for one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, in connection with this vital subject of foreign trade, I call the Members' attention to part 2 of the latest census report No. FT 410.

This might be called a routine, cold statistical report because it is published every month and is confined entirely to a listing of the kinds and amounts of products exported from the United States, and to which countries.

But with a deadly war going on in Korea, this report is no longer routine. Instead, it documents one of the most sordid chapters in the commercial history of the world, such a monstrous thing as to make the nefarious gun runners of old look like deacons by comparison, and enough to turn inside out the stomach of every moral and patriotic citizen.

This routine report discloses that the internationalists for a profit, including so-called Americans, are conducting a land office business, with British Hong Kong apparently emerging as the number one international robbers' roost.

Here is the situation. While Chinese Communists are killing our men in Korea, small manufacturers throughout the United States either must crawl on bended knees to the black markets for all too many metals or practically do without, resulting in lay-offs and, in some cases, bankruptcy.

In the face of all this, the Truman administration, to its everlasting shame, is allowing precious metals and other strategic materials to be exported all over the earth, including Communist China and to nearby Hong Kong for shipment anywhere, most of it to China.

Does this profitable open door, in juxtaposition for dealing with the various and sundry governments and bandits of Asia, explain why the Chinese Reds did not long ago walk in and occupy Hong Kong; why Britain was one of the first to accord formal recognition to the Chinese Communist regime; and why both

Britain and France, on paper, supported the United Nations resolution branding Communist China as an aggressor, but then halted abruptly and exuded a tortured cry against following up the resolution with a blockade of the Chinese mainland?

From the standpoint of the London Government, and the leeches on Fleet Street, the few British troops fighting in Korea are probably considered entirely expendable, and, indeed, good investments in Britain's historic cause of international profiteering and exploitation, whether or not they are killed by ammunition made from material lucratively transferred from Hong Kong to Red China.

But the British are not alone.

Before proceeding further, permit me to point out that American internationalists, with the full knowledge of the Truman administration, and in a vicious circle, are not only providing Red China with strategic materials. By importing into the United States a wide range of Chinese products, these international parasites are providing American dollars which are used in turn to build up the Chinese war machine. Imports from Red China, in October alone, ran into the hundreds of thousands of dollars and included such items as drug flowers, tableware, bow hair for violins, fish products, electric lamps, film material, azimuth mirrors, jewelry, medical preparations, antiques, dolls, and dice. I wonder if the dice were loaded, in true Communist fashion?

But perhaps most interesting of all is the importation from Communist China of almost a million pounds of dried eggs, during October, in addition to shell eggs and frozen eggs, for which American internationalists paid China about a half million dollars. This, mind you, on top of an American domestic surplus of some 100,000,000 pounds of dried eggs in the caves of Kansas. And it has been going on for months and months, as I have revealed to the Members on more than one occasion, with the Truman administration doing nothing about it until, finally, last fall, the President announced that the tariff on dried eggs from China would be increased, effective December 11, 1950. In other words, he gave the Reds advance notice, providing them with plenty of time to do their worst—to flood the American market before the tariff increase went into effect. And they did exactly that.

Now back to the exports of our critical materials.

In November alone, tons and tons of American iron, steel, aluminum, copper, brass, bronze, lead, nickel, tin, zinc, and so forth, went to the four corners of the globe; heaven only knows how much of it was or will be transshipped to China for use against our troops in one form or another.

Large quantities, perhaps suspiciously large, were exported to Canada and certain of the small countries of South America, all of whom, incidentally, have been conspicuous by their absence in the front lines in Korea. I am not qualified to say how much of this material is used in the various countries to which it is

shipped. Perhaps we will never know who is shipping what to Russia, China, and the rest of the Communist satellites.

But the report does list shipments of various goods direct to China from the United States, including, for example, black ungalvanized carbon steel to the tune of more than 7,000,000 pounds, making China, next to Canada, the largest single recipient of this item during November. Hong Kong was in third place with almost 5,000,000 pounds.

The United States exported to no less than 29 countries, during November, more than 11,000,000 pounds of galvanized steel sheets, the same kind for which small manufacturers in Iowa and elsewhere are crying, to keep their businesses alive and their employees on the job.

But these are just a few examples of the scarce metals pouring out of the United States. For further details, I refer you to the report.

Mr. Chairman, the Members will also be interested to know that both China and Hong Kong are high up on the list of more than 75 countries receiving millions of dollars worth of American drugs, including huge quantities of penicillin and streptomycin, for the benefit of Communist Chinese soldiers.

I would venture to say that if the inhabitants of Hong Kong existed solely on drugs, they would undoubtedly founder before they could possibly consume even a fraction of the amount shipped in.

I urge my colleagues to obtain a copy of this report. It reveals in mathematical fashion internationalism for a profit at its worst and growing ever fatter on the blood of American troops in Korea—condoned if not aided and abetted by the Truman administration.

How much lower can the human race descend?

Do we need any further evidence that the Truman administration is unworthy of a continuation of vast and sweeping powers to manipulate our foreign trade?

Mr. SCUDDER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I believe we should approach this question in the light as set forth by the gentleman from Pennsylvania [Mr. VAN ZANDT] and think back a year or more in our consideration here today. Last year I introduced a bill to restore the peril point and the escape clause, and again this year introduced a like measure.

Mr. Chairman, I trust that the amendment now before the House will receive favorable action, because there was never a time to my way of thinking when industry and the American working man should be more considered as against the cheap imported labor from without. I do not feel that this measure in any way disturbs the diplomatic relations with other countries throughout the world, and while the peril point feature as it is introduced is not entirely to my liking, I would like to have a peril point established by the Tariff Commission and after they had established such point below which the tariff could not be reduced without discrimination against the American working man, and before the tariff could be reduced below

that point, that the President would be compelled to report back to the Congress and secure from the Congress permission to make such reduction. The peril point as proposed today would only require a confession of the President to the Congress that he has taken action and reduced a tariff which is going to be detrimental to the best interests of the working man of this country. It only puts the Congress and the American people on notice that the President has taken action and reduced the tariff on a particular article, and that that action is going to be the ruination of that industry in this country.

If we think back a year and a half ago, when 16 labor organizations met here in Washington and protested the reduction of tariffs on many of the products being brought into this country, that meeting started the subcommittee action by the Committee on Education and Labor which caused them to hold hearings last year for a period of several months. I appeared before that committee on two separate occasions, and I know that labor, industry, and agriculture were vitally interested in the subject matter they were considering at that time.

I know that the hop industry in the State of California was being greatly hampered from the importation of Czechoslovakia hops, to a point that it caused a slump in the price of hops and the solvency of this substantial industry. I received a letter just a few days ago regarding the increased importation of almonds into this country now. If we would bring into the United States each year 5,000,000 pounds of almonds, that together with the production in this country would supply all the almonds the American market consumes. So far this year over 7,200,000 pounds of almonds have been imported and it is estimated that before the season is over 18 to 20 million pounds of almonds will be brought into the United States. This affects not only the almond industry in my district, it affects the walnut industry, it affects the pecan industry, and it affects many other like industries throughout the United States.

Are we going to sit idly by and permit American industries one after another to fall by the wayside because of an unrealistic approach to the whole program affecting the trade agreements between nations. I want it thoroughly understood that I believe in the principle of the reciprocal trade agreements program, but it must be reciprocal. It cannot be the one-way street, the downhill, crooked trail they are taking us on today through the operation of the trade agreements.

I am going to support the escape clause because I believe we have gotten ourselves into a great number of agreements with foreign nations that are going to ruin many industries which if properly administered we could have avoided.

Mrs. CHURCH. Mr. Chairman, I move to strike out the last word, and rise in support of the amendment.

Mr. Chairman, I belong to that group of many who formerly supported the reciprocal trade agreements program, because I believed it would do much for the American people. In the face of what has happened, in the face of the removal of the peril-point provision 2 years ago, I no longer share that faith; and I think something will happen to the American people unless today we adopt this amendment and ensure once more the safety of our productive agencies.

I had not meant to speak today, but while I was sitting on the floor of the House there came to me a letter from my district. It is a great district, of which I am very proud, because it contains, in addition to large numbers, representatives of every kind of activity that makes this country great—industry, agriculture, universities, small-business men, and small-shop keepers. I read you this letter not because I am foolish enough to think that you can generalize from one instance, but because I think that the letter expresses a condition existing in one industry which exists in many. I think also that the evidence is important because it comes not from the heads of that industry but, as it says, from 1,500 workers organized into an employees committee in the plant of Arnold, Schwinn & Co. This is a letter that I would have you listen to with care:

We, the Schwinn Employees' Committee, represent 1,500 workers in the plant of Arnold, Schwinn & Co., at 1718 North Kildare Avenue in Chicago.

We understand that a renewal of the Reciprocal Trade Agreement Act will be considered in the Congress in the near future. We know that bicycles are produced in Europe in large quantities and that foreign manufacturers are in a good position to compete in the American bicycle market because of their large volume and modern production facilities. This condition is peculiar to the bicycle industry, as the foreign producers of most other consumer durable goods are not in large-volume production.

Recently a large national merchandiser purchased 40,000 bicycles in Germany at a figure which is considerably under the bare cost of production in America. This is entirely possible because Department of Commerce figures indicate that workers in German bicycle factories are paid less than one-fifth of the scale in similar American plants. These bicycles are not the European type—they were designed to fit the American market and are exact prototypes of American bicycles in design, finish, thread fittings; in fact, exact duplicates in every detail.

Other national merchandisers who handle bicycles, noting this action on the part of their competitor, are now active in attempting to purchase quantities of bicycles in Europe so that they will be in a position to compete.

We understand that there is very little hope of the Reciprocal Trade Agreement Act being discontinued, but there is a possibility that an amendment may be considered which will afford an industry in our difficult position some possibility of relief through establishment of quotas.

We are convinced that our industry is in a precarious position and that there is a possibility of practically complete destruction of the industry, as in the case of watchmakers, ceramics, felt hats, and others.

We are informing you of the above outlined vulnerable position of our industry in the hope that you will support any amendment to the act which might be of help to industries which face ruinous foreign competition.

Yours very truly,
Arnold, Schwinn & Co.: Frank Peters, Frame Shop; Emmett Schellhorn, Welding; Walter Macierowski, Wheel; Edward Flintz, Shipping; Willard Beeskow, Tube Mill; Adam Jasinski, Inspection; Marshall Larsen, Tool Room; John Posinski, Assembly; Irving Tiedt, Special Parts; Arno Stimple, Maintenance; Walter Staff, Receiving; August Janov, Plating; Edward Wriedt, Lock; Henry Carlson, Paint.

Mr. Chairman, today we face a crisis. We are being told that on every side. One thing we know: Our strength is based on our essential freedom; but, underlying any defense we can make in behalf of our country is our strong productive capacity. In the name of the employers of the great Thirteenth District of Illinois; in the name of the thousands of employees who share their employer's conviction that something must be done to protect American industry; in the name of the thousands of humble Americans like myself who believe that American principles are worth fighting for—and who are willing to make any sacrifice—but who expect us in the Congress of the United States to do our duty in protecting their means of living, I shall support this amendment.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield for a question?

Mrs. CHURCH. I yield.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. CRAWFORD. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CRAWFORD. In my district, the Eighth Congressional District of Michigan, we have a large manufacturer who for years has been turning out bicycles and bicycle parts. I am informed, as the gentleman from Illinois has been informed, that one of our big mail order houses with these great branches throughout the United States has purchased these bicycles in lots of something like 40,000 from the Ruhr Valley in Germany and that they are being sold on a retail basis for about \$19.75 as against our American price of about \$36.50 to \$40 per vehicle; and that there is no way on earth that our people can meet that price. I assume that is the type of competition to which your friends have directed your attention. It is somewhat of a double-barreled proposition in that I assume material will not be allocated to our industries to continue the manufacture of bicycles because of the material being diverted. And further with these parts coming in in competition in the form of a finished product and as you say produced in almost the exact color scheme with the chrome decoration and all that, there is just no way

that we can hold the American market for these workers.

Mrs. CHURCH. I agree thoroughly that that is the current danger.

Mr. REES of Kansas. Mr. Chairman, I rise in support of the pending amendment offered by the gentleman from Pennsylvania [Mr. SIMPSON], known as the peril-point amendment. I also support an amendment that will be offered by the gentleman from West Virginia [Mr. BAILEY], or the gentleman from Nebraska [Mr. CURTIS], which provides for what is known as the escape clause.

I wonder if the members of this committee have received much correspondence from their constituents with respect to granting too much power and authority to administrative agencies, including the State Department. It has been said on the floor of this House that the approval of these agreements is made by several agencies of the Government, but I call your attention to the fact that the policies with regard to the making of reciprocal trade agreements are laid down and promulgated by the State Department. In other words, it is the State Department that after all has the determination and makes decisions with regard to the making of the hundreds of reciprocal trade agreements that are made on behalf of this country. If we could realize that the Secretary of State is the one who finally determines these matters, it is possible that we might give this proposed amendment a little more serious consideration.

The distinguished gentleman from Pennsylvania [Mr. EBERHARTER] called attention to certain groups that are favorable to the extension of the reciprocal-trade agreements, but he did not say that these groups and organizations are opposed to this proposed amendment. Do you think, for example, the United States Chamber of Commerce whom he mentioned is opposed to this amendment offered by the gentleman from Pennsylvania [Mr. SIMPSON]? Do you think the farm organizations oppose a proposal that protects them in some degree when their prices go below what is known as the peril point? Do you think that any of the organizations named by the distinguished gentleman from Pennsylvania [Mr. EBERHARTER], would object to such proposal if they knew about it and understood it?

All in the world the amendment does is to require the President of the United States to let the Congress know when the price of goods and materials in trade with foreign nations goes below what is known as the peril point or danger point. In such event, the President simply notifies the Congress that such action has been taken and gives reasons therefor. Then it is for the Congress to take such action as it sees fit under the circumstances. It is a very mild sort of thing. I do not see how any member of this committee or anyone else interested in this legislation can object to it. The amendment should be approved by an overwhelming majority. You will observe that those who have risen against the amendment have given no substantial reasons why it should not be approved. They have directed their argu-

ments against allowing any changes in the bill as proposed by the Committee.

Mr. Chairman, I am not sure that the State Department has such an enviable or outstanding record that its policies are above reexamination in any field. I am inclined to think that it might be well to at least reexamine its actions with respect to its policies in reciprocal trade.

There are many on the floor of this House who have criticized and condemned the State Department in recent months with regard to its policies in other fields. I hardly see, therefore, why you would be unwilling to permit Congress to be notified when agreements are made with other countries with respect to exports and imports that may result in injury to the industries of America.

I think I should also call attention to the fact that the agreements presently in effect are considerably different from what they were when Secretary Hull entered into agreements 16 years ago. I am not unmindful either of some of those agreements.

I recall quite vividly in May of 1941 when I addressed a letter to the Secretary of State demanding that the tremendous increased amounts in shipments of scrap steel to Japan and Germany be withheld or greatly reduced. I also directed attention to the danger of sending huge quantities of high octane gas to Japan. The reply I received was in substance that because of agreements our country had made with Japan, we were not in position to make any changes under reciprocal trade.

The proposal before you today is a mild but important one. Again, let me repeat, I hardly see how those of you who have been critical with regard to the power and authority given the Secretary of State can oppose this proposal. In fact, I just do not see how anyone can oppose it. It is in the interests of American industry, American agriculture, American business, and American labor. In fact, it is in the interests of the American people.

The CHAIRMAN. The time of the gentleman from Kansas [Mr. REES] has expired.

(Mr. REES of Kansas asked and was given permission to revise and extend his remarks.)

Mr. BURDICK. Mr. Chairman, I move to strike out the last word.

When a matter like this comes up, I want to be sure that I am clear myself about it. I appear here for the purpose of finding out some information that may set me right. Where does the authority come from that the President has to negotiate these agreements in the first place? It comes from Congress. But when the President has made a mistake and he has executed contracts below the danger point what do we do about it? Nothing.

The only thing that is important about this amendment is that the President must come in here and tell us that he made a mistake, but there is no provision by which we can correct it after he has made that statement.

Are you afraid to exercise the authority of Congress that the Constitution gives you? If you have the power to

give him the authority to make these contracts, by the same token you have the power to take that authority away from him if he makes a mistake.

As to your escape clause, I should like to find out how you are going to escape. It tells you it is an escape clause, it holds out a hope that you can get out, but I do not think it is an escape. You ought to do something about this; you ought to do something about this in the law now by providing that whenever the President makes a contract that is going to destroy industry in America that contract is null and void.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. I yield.

Mr. BAILEY. Does not the gentleman think we better put something in the bill right here to have Congress retain control over the agency?

Mr. BURDICK. Yes; right here. But, of course, you are afraid. You conferred this authority, but you are afraid to take it back.

While these amendments are weak and do not provide a positive course to pursue in regard to peril-point report by the President, the escape clause amendment is also merely a statement and does not show anyone how to escape.

Mr. BOW. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the amendment. I believe its adoption will add some protection to what in my opinion is bad legislation. I shall vote against the extension of the act itself.

I should like to say, Mr. Chairman, that some of us who occupy seats on this side of the aisle, which have been empty for some years, do so because the people of this Nation have registered a protest against legislation of this kind.

If I may use a rather threadbare but appropriate phrase, we have a mandate to recapture and protect some of the functions of the Congress that have been delegated to other authorities in recent years. I believe this to be one of them.

The Constitution provides that Congress shall regulate foreign trade and shall levy duties and imposts. I believe it is time to reestablish the constitutional prerogative of this great legislative body.

Early in my service in this House I should like to be on record as being opposed to undermining the economy of this Nation in an attempt to foster ideologies that are not based on the protection of the jobs of American workers and the investments of the life savings of millions of our people.

I will perhaps be branded a reactionary. Well, I do react against exporting the jobs of American workers into cheap labor areas and destroying our standard of living.

I will no doubt be branded a conservative. If that means because I believe in the conservation of America's resources in order that we may have a stable economy, then I am a conservative.

The so-called liberals will want no part of me. If being a liberal means being liberal with the industrial strength of this Nation and giving it away in such a way that even the fair trade of competition is destroyed, then I do not want to be a liberal. But if being a liberal means

believing in the liberty of the American workingman so that he may produce, earn, and save, if it is liberty and freedom for all our people under the Constitution, then I am a liberal.

Mr. Chairman, I want the record clear early in this session on my position—I shall in any way I can, however humble that may be, vote to restore to the Congress its rights, duties, and responsibilities.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I rise in support of the pending amendment.

(Mr. AUGUST H. ANDRESEN asked and was given permission to revise and extend his remarks.)

[Mr. AUGUST H. ANDRESEN addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. PRIEST. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it might be helpful, as we consider this amendment and consider the bill, to take a brief look at some things that are a matter of record.

Let us look at the record. Of the thousands of concessions that have been made under the trade-agreements program, only 20 applications for relief under the escape clause have been filed with the Tariff Commission. The Tariff Commission has recommended that one concession be withdrawn, which has been done. There are five applications pending. The rest have been dismissed because injury could not be proved.

I should like to indicate how really small these imports have been in comparison with the value of production of these same products in the United States.

In 1949, the most recent year for which statistics are available and the period during which it is claimed that many industries were being hurt, imports of walnuts represented less than 4 percent of the value of domestic production, imports of woolen textiles less than 1½ percent of the value of domestic production, imports of rubber footwear less than seven-tenths of 1 percent of domestic production, imports of coal-tar dyes less than one-half of 1 percent of domestic production, imports of cotton cloth only two-tenths of 1 percent of domestic production, and imports of cheese only 2.7 percent of domestic production.

Let us take another industry, the pottery industry. Imports of table and kitchen ware were lower in 1949 and are estimated to be lower in 1950 than they were in either 1937 or 1939. Imports of artware have increased since the end of the war but domestic production in 1949 was over three times what it was before the war.

Imports of potatoes, about which we have read so much in the newspapers, were only 2.4 percent of domestic production. Imports of women's and children's leather gloves less than a sixth of 1939 imports and about one-twelfth of imports in 1937. Imports of fresh tomatoes were less in relation to production than in 1946, 1947, 1948, or 1937.

Then there are a group of industries who have complained about imports

whose exports actually exceed imports coming into the United States. Exports of bicycles exceeded imports in 1949 by a million dollars. Exports of leather shoes were more than double imports. Exports of saws were 15 times imports. Exports of rayon fabrics over 10 percent of production, imports less than five-tenths of 1 percent. Exports of softened plywood running at the rate of over eight times the imports.

Imports of fish fillets have increased but so has domestic production, which is very close to the highest peak ever reached. With the single exception of Waltham, the profits of the domestic jeweled-watch companies have been higher in the last couple of years than ever before in their history.

And now there are two industries exporting over \$100,000,000 each—metal-working machinery and textile machinery. Total imports of these products into the United States were only \$6,000,000—\$6,000,000 against \$236,000,000 exports—but there have been complaints about these imports as well.

Mr. Chairman, I could go on citing facts like these for hours, but perhaps by now it is as clear as it ever can be, that all this talk of a dangerous flood of imports is only significant because of the dangerous exaggerations which have been expressed in connection with it.

Total imports into the United States are smaller in relation to national income than they were before the war. They have risen slowly since 1947 and it is to our national interest for them to rise gradually over a period of years to the point where large appropriations of the taxpayers' money will no longer be necessary to balance our international accounts. We will then all be better off and richer to boot. Nobody has been injured yet in this very gradual process and it is my contention that nobody will be injured if we keep clear and alert about the facts and are not warped by fears which are hardly compatible with the pioneer spirit that has made this country great.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. PRIEST. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. May I ask the gentleman if the figures he has given are not figures that were obtained from the Tariff Commission itself?

Mr. PRIEST. Those figures were obtained from the Tariff Commission, and I believe those figures are in every sense reliable and accurate.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. PRIEST. I yield.

Mr. REED of New York. The gentleman spoke about the fact that the imports were only 1 percent of our products. I call his attention to the fact that there are some very big floods in some of the cities of this country when probably the amount of rainfall is not over one-half of 1 percent of the general rainfall of the country, but it causes a great deal of trouble to those communities. The same thing is true of the shipment of butter into New York, or of eggs from China. It breaks the market of the whole country on those particular commodities.

Mr. PRIEST. I believe these figures are rather convincing and that they will stand the test of careful examination.

Mr. REED of New York. We have poured about \$38,000,000,000 into foreign countries. Why should they not have exports? Our taxpayers have paid for it. That is one of the reasons why you are here with a \$16,000,000,000 tax bill.

(Mr. PRIEST asked and was given permission to revise and extend his remarks.)

Mr. KEOGH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, there is an old maxim of equity that one should not do indirectly what one cannot do directly. This obviously is an indirect attack upon the theory of the reciprocal trade-treaties program. It is not only indirect but it is, in my opinion, insidious, for the reason that this amendment, indulging as it obviously does in the clichelike term that is used only to substitute for thinking, seeks to arouse the fears of the membership of this Committee.

How does it propose to carry out its purpose? On the one hand it creates the Tariff Commission as a most dependable, objective, studious, nay, sacrosanct body, that is the only agency of Government that knows anything about tariffs or the point at which American industry is affected, and on the other hand, specifically, permanently, and irrevocably removes the Tariff Commission from the consideration of any given treaty.

The language of the amendment is quite clear. That is what it does. No member of the Commission will be able to participate in any of the hearings leading up to a trade treaty. My position simply is that that is only one phase of this great program upon which the American people have voted and passed upon in four separate national elections. It is well for our friends on the other side of the aisle to point to one or two or more accidents among them and define their presence as a mandate from the people of the country. You and I know that the factors which lead up to the conclusion and execution of a trade treaty are far more important and broader than the very patriotic and capable shoe workers at Endicott, N. Y., or even the equally patriotic and undoubtedly efficient pottery workers of West Virginia. This, Mr. Chairman, is 1951. It is not 1890 or 1900 or 1920. It is not even 1937. This program has taken its rightful part in our obviously sincere and conscientious efforts to establish a world of peace and order. I say to you members of the Committee the courageous thing for us to do today would be to vote that program up or down, but not try to mislead the public into thinking that we are for it, yes, but we are killing it while we are for it. It is my firm opinion the adoption of this obviously attractive amendment would not be perilous to the program, it would not be perilous to the country; it would be fatal to both, and it would be most disruptive of the attempts on the part of these great agencies of government.

Mr. Chairman, I am not one who would dismiss lightly the very sincere and serious efforts that are made by men

chosen to head the great departments of our Government in their efforts to bring about a peaceful economy throughout the world, including the United States of America. When the Record is written, when you who today pose as friends of American labor and we who for years by our votes and by our deeds have proven ourselves truly to be their friends, the people will not be misled by your arguments today.

We should reject this amendment as a fatal blow which would kill the program.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. YATES. Mr. Chairman, I ask unanimous consent that the gentleman's time may be extended for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. YATES. Mr. Chairman, does not the gentleman believe that the so-called peril-point amendment places in jeopardy the success of the ECA program? We have seen the economy, the productive potential of the nations of Europe, built up with our aid to the point where they are once again on their feet and off our backs. Now with this peril-point amendment we will be telling the nations of Europe, "You have built up your economy. We do not want you to deal with the Russian countries or with their satellites, but we still do not want you to deal with the United States if it imperils our industries in any respect. We ask you to remove your trade and tariff barriers between yourselves; we ask you to integrate yourselves economically." Yet does not the gentleman feel that the peril-point amendment proposes that we pursue a policy directly contrary to what we are asking the European nations to follow?

Mr. KEOGH. I am fortunate that the gentleman put his question in the form of a statement, for he has stated it far better than I could have. The gentleman is absolutely correct in that statement. This program is certainly far more important than any one phase, however important that phase is. The gentleman, coming from Chicago as he does, and I, coming from New York, know very well that the worst way to go into any negotiation or any trade is to go in with your hands tied and your feet tied and your powers limited.

Mr. SIMPSON of Pennsylvania. The gentleman has said, in effect, that after taxing the American people to build up these great industries in Europe we now must cut our tariff and provide a market for those people at the expense of the taxpayer-workingman here.

Mr. KEOGH. Of course, I am not bound by any effect the gentleman may put on what were my attempts to use a kind of simple language that the people of this country will understand, if the gentleman does not.

The CHAIRMAN. The time of the gentleman from New York [Mr. KEOGH] has expired.

Mr. MILLS. Mr. Chairman, I ask unanimous consent that all debate on

this amendment and all amendments thereto close in 15 minutes, with the last 5 minutes to be reserved for the majority leader the gentleman from Massachusetts [Mr. McCORMACK].

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

Mrs. ROGERS of Massachusetts. Mr. Chairman, reserving the right to object, I shall not object if I may have 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas that all debate on this amendment and all amendments thereto close in 15 minutes?

Mrs. ROGERS of Massachusetts. Mr. Chairman, a parliamentary inquiry. Will I be allowed the 3 minutes? Otherwise I should be forced to object.

The CHAIRMAN. It depends on how many Members care to speak. The time will be allotted between all Members who desire to speak.

Mr. MILLS. Mr. Chairman, I modify the request and I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes, with the last 5 minutes to be reserved for the gentleman from Massachusetts [Mr. McCORMACK].

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The CHAIRMAN. The gentleman from Massachusetts [Mr. NICHOLSON] is recognized.

Mr. NICHOLSON. Mr. Chairman, I am grateful for an opportunity to stand up here and say a few words for New England, and especially Massachusetts, where we have probably been the greatest producers of materials of any State in the Union.

I was particularly interested when the gentleman from North Carolina talked about exports. We are interested in imports, not exports. If I had my way on this entire proposition, in addition to sending all of the exports out, I would like to send the State Department as one of the exports, too. I think it might help us a little bit.

Now, politics has been brought in here. I do not think there is any politics in the United States when it affects every single State in the Union, as this does. It may be because we are a State that produces things and have had to suffer from these tariff regulations as we have, but many businesses have gone out of business in Massachusetts because they could not compete with the starvation wages that the foreign countries pay. The people who ought to be interested in this proposition are the Members on my right who believe in America and want to make America strong and not European. Somebody has found fault because some of us are isolationists.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

PERIL-POINT AMENDMENT

Mr. MACK of Washington. Mr. Chairman, judging by the contents of my mail, many thoug and patriotic

Americans are deeply concerned over the way in which Congress has surrendered and continues to surrender its powers and authorities to the executive departments of the Government.

We, who are elected to make the laws, should not surrender our power either lightly or quickly to the nonelective officials of the Government bureaucracy.

The present reciprocal trade bill gives great authorities to the nonelective officials in the State Department. The Congress and the country has little, if any, confidence in our State Department because of the way in which it has dismally bungled the foreign policy of this country.

I, for one, do not want to give any more power than it is absolutely necessary over the domestic affairs of our people to this State Department which has so utterly failed in the field of foreign affairs.

As an indication of what the people think of this State Department, to which this bill, unless amended, will give great powers without any curbs or restrictions, I cite you the results of a recent newspaper public-opinion poll on our foreign policy taken by newspapers in my district.

The Aberdeen Daily World, a newspaper of 15,000 circulation, published in Aberdeen, Wash., a city of 25,000, recently asked its people if they approved or disapproved of the administration's foreign policy. Out of 999 ballots received in the first 3 days of that poll, only 65 said that they approved the present foreign policy of the State Department and 934 said they disapproved that policy.

On the question, "Do you think our foreign policy should be reexamined," only 45 said they did not think it should be reexamined, and 944 said they believed our foreign policy should be reexamined.

The Daily Washingtonian, of Hoquiam, Wash., conducted a similar poll among its readers, and the answers revealed that more than 92 percent of those replying to the poll to be against the present foreign policy and less than 5 percent for it.

The gentleman from Oregon [Mr. NORBLAD] tells me that a similar poll, conducted by a daily newspaper at Grants Pass, Oreg., produced similar results.

My own mail, in which I receive 99 letters against the State Department's foreign policy, to every letter I receive endorsing that policy, confirms me in the belief that these newspaper polls offer a correct evaluation of public opinion.

The people are not for the State Department. They do not and I do not want to see that Department have any more powers than it now has. I would rather see its powers curbed and lessened rather than increased and expanded.

I shall vote for the peril-point amendment to this bill, because that amendment will, in some small way, curb and restrict the activities of the State Department over the domestic life of the Nation.

THE FISHING INDUSTRY

In 1949 the State Department permitted 499,000,000 pounds of foreign fish to flow into the United States. As a result of these foreign imports of fish our American fishermen suffered a decrease in markets and had their employment curtailed and their incomes decreased.

Fishermen engaged in catching fish for livers were practically put out of business by Japanese fish-liver imports. Our American fishermen and cannery workers could not compete with the low wages paid Japanese fishermen and cannery workers.

Huge quantities of bottom fish and tuna also were imported to the great detriment of our fishermen.

The crab industry was hurt by canned crab imports from Russia and Japan.

I tried for 11 months to get the State Department to take some action to stop the imports of canned crab from Russia. The State Department would do nothing to stop these Russian canned crab imports. It consistently took the position that our American fishermen were not producing enough crab for domestic consumption and refused to take any action to bar Russian canned crab imports, despite the fact that the American dollars which were paid for the Russians to buy and pay for war supplies from Western European nations. Russia bought more than \$200,000,000 of such war supplies as rubber, tin, iron, steel, copper, lead, zinc, automobile trucks, ball bearings, and barbwire from Britain, France, and Belgium in the 1 year of 1949. This unholy trade financed in part by the money we pay Russia for crab, furs, and other luxury items still continues.

FILBERT NUTS

We have had a prosperous filbert nut industry in the States of Oregon and Washington. The State Department has permitted large quantities of competing nuts to flow into the United States from China and other low-wage countries. Our filbert nut raisers have been greatly disturbed by these low-wage nut imports.

Many of our Washington-Oregon nut growers, at times, have even considered cutting down their filbert orchards because they knew they could not compete with China and other low-wage countries. Their very livelihood has been in constant jeopardy by this senseless policy of stimulating imports from low-wage countries without thoroughly considering the great risks to our own economy involved in these imports.

If we get a peril clause in this bill, we will be assured that before any tariff is reduced our nut raisers will have an adequate investigation made by the competent and nonpartisan Tariff Commission.

The nut growers want that kind of an investigation to be made. They are entitled to have it made.

PLYWOOD

State Department officials, without ever assuring an adequate investigation by such a nonpartisan group as the

Tariff Commission, have threatened to reduce the existing tariff on plywood. If this is done, increased quantities of plywood will flow into the United States from Canada and Mexico, to jeopardize the employment and income of the 18,500 workers who are employed in the 56 plywood mills of Oregon, Washington, and California.

These plywood workers want the nonpartisan, scientific Tariff Commission to pass judgment on whether or not existing tariffs on plywood shall be reduced. They are entitled to this assurance and this protection.

Mr. Chairman, I shall vote for the peril-point amendment which has been offered to this bill. Its adoption will lift a great fear from the hearts of many of our fishermen, nut growers, and plywood workers as well as from the workers in many other industries of this country.

Last year I attended a meeting here in Washington of the officials of 16 AFL unions and every one of these AFL officials favored adoption of this peril clause as a means of protecting the interest of the union workers they represent.

I am against giving more powers to the State Department. I will therefore vote for the peril-clause amendment.

(Mr. MACK of Washington asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The gentlewoman from Massachusetts [Mrs. ROGERS] is recognized.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I am going back into past history. I remember a certain gentleman in the State Department, a distinguished Assistant Secretary of State, who told me when I was complaining that Japanese products were closing the corduroy and velveteen mills in the city of Lowell where I live, that we must not hurt the feelings of the dear Japanese. That State Department representative, Mr. Chairman, was caught in Corregidor after the Japanese attacked us at Pearl Harbor, and over the radio came the plea that we go and help him. I tell you that because it is important that we think. We not only ruined our industries, but we hurt the boys, the youth of the country.

You will remember the Czechoslovak competition with our boots and shoes and the closing of our boot and shoe industry, the coming to the United States of Jan Bata, who ran a slave-labor camp at Belcamp, Md. That was exposed, and I had the help of the Department of Justice in exposing it.

You should stop, look, listen, and investigate, Mr. Chairman, before these agreements are made. You do not want to ruin not only the industries of our country but weaken our country itself. Remember, it is not always the volume of imports that matters, but the value. We all know that. Low price is the market price and we cannot compete with low-priced foreign goods. Remember the plight of the Waltham Watch Co.

Why, Mr. Chairman, were not representatives of the House and the Senate asked, as I requested, to sit in at the

meetings in Torquay, England, when these reciprocal trade agreements were being discussed? Every nation affected by those trade agreements had their representatives there, their members of Parliament listening to those discussions. It gives you a lot of food for thought, Mr. Chairman. We must not weaken irreparably the industries of our country. We should accept this amendment or a comparable one.

The CHAIRMAN. The gentleman from Massachusetts [Mr. DONOHUE] is recognized.

Mr. DONOHUE. Mr. Chairman, at the outset I should like to state I am not, and have not been, opposed to the worthwhile over-all objectives of our reciprocal-trade-agreements program. It undoubtedly embodies one of the most constructive efforts ever made to promote world trade on a scientific basis.

Realizing this fact I am, however, very deeply concerned that we retain its proved benefits to the maximum degree while, at the same time we carry out our conscientious obligation of including provisions to insure the least possible degree of injury to any American industry and to any product produced by the American taxpayer. This is, in my opinion, a moral duty we have to protect our domestic industries and our own people here at home.

That certain our own industries and people have suffered because of unintended and unseen reactions from the operation of the present reciprocal trade agreements policy, I know from my personal experience. On this score I have, during the last 4 years, made repeated appearances before the Ways and Means Committee and the Committee for Reciprocity Information, to acquaint them with the injustices being visited upon the American woolen, shoe, and watch manufacturing industries and their employees in my own congressional district, to whom no relief has been afforded from unfair foreign competition. In these particular industries, and many others, employment opportunities have been taken from our own people through no fault of theirs. In these fields we have also unwittingly, I am sure, hindered our war preparations by preventing an adequate production of woolen clothing for our fighting forces and by discouraging skilled craftsmen in our domestic watch manufacturing industry, whose products are so vitally necessary to atomic war instruments.

Mr. Chairman, there have been too many instances, heretofore, under the agreements entered into, where industries in this country have had to meet the competition of products manufactured by underpaid labor in foreign countries, some of whom might well be questioned as to their assistance to the Communist powers. This has resulted in hardship to the affected industries and workingmen of America. We cannot maintain our standard of living and successfully compete with foreign products made under the low-scale wages prevalent in foreign countries. In our charitable attempts to help these foreign countries we cannot afford to be unmindful of the possible adverse effect upon

our own wage earners. To do otherwise is to improve conditions abroad at the unjust expense of the American people at a time when they are facing tremendous tax burdens. I do not blame the officials of foreign governments for favoring their own nationals but, on the other hand, it is only right and reasonable the agents of this Government be equally concerned about the welfare of the American people. Right and justice should be exercised in this country's administration of the law at least equal to that which is observed by foreign competitive governments.

In summary those are the reasons why I favor the inclusion of the peril-point provision in this bill.

In brief, all that the peril-point procedure will do is that—

First. The President will be required to submit the list of articles to be negotiated to the Tariff Commission.

Second. The Tariff Commission must make a factual study of each item and make a report within 120 days to the President. The report will contain the Tariff Commission's findings as to the limit the President might lower or raise duties without causing or threatening serious injury to the domestic industry producing like or similar articles.

Third. The Tariff Commission is required to hold hearings.

Fourth. The Tariff Commission is to continue to furnish factual information to the negotiating committees but members of the Tariff Commission may not sit as members of the Committee for Reciprocity Information or the Trade Agreements Committee.

Fifth. If tariff cuts and other concessions are made below the peril-point report of the Tariff Commission, the President must identify the articles and state the reasons to the Congress for the action taken with respect to such items.

Sixth. The Tariff Commission is to furnish the Ways and Means Committee and the Finance Committee a copy of its report on only those items which have been cut below the peril point.

The inclusion of this amendment is, in essence, merely implementing and clarifying the present intent of the Reciprocal Trade Agreements Act. It can do no harm and may well result in much good to our labor and industries.

The provisions of this peril-point proposal do not take away any of the existing authority of the President and they will serve to provide the Congress with an alarm system to act, when necessary, to protect the fundamental interests of the American people and American industry. That, in my conviction, is why Congress is in existence. The adoption of the peril-point amendment, with the escape clause, is a reasonable step in the right direction toward the preservation of a healthy economic life in these United States. It will be also, in this emergency time, concrete evidence to the American people that we are, as we should be, primarily concerned with their welfare.

(Mr. DONOHUE asked and was given permission to revise and extend his remarks.)

(Mr. EBERHARTER asked and was given permission to extend his remarks at this point in the RECORD.)

RIGIDITIES IN THE PERIL-POINT SYSTEM

Mr. EBERHARTER. Mr. Chairman, the peril-point amendment would introduce a number of rigidities into the method of formulating recommendations to the President about tariff concessions.

The first rigidity is that, in practical effect, the extent of the recommendation would be controlled by one agency of the Government.

The second rigidity is that this agency is required to fix accurately and with precision the exact point below which a tariff rate may not be reduced, or the exact point to which a tariff rate would have to be increased in order to prevent the causing or threatening of injury to a domestic industry. It is not possible to fix such a point with precision.

The third rigidity is that the Tariff Commission's decision on peril points must be made without the benefit of discussion or consultation with other agencies, some of which, like Agriculture and Defense, are particularly qualified to have judgments on the probable effects of a tariff concession on particular products within their field of interest.

The fourth rigidity is that this peril-point determination must be made by the Tariff Commission in advance of the actual negotiation and without the benefit of any facts that may be developed in the course of the negotiation. One of the important things that happens in the course of a tariff negotiation is discussion of the situation in the two countries with respect to the products being considered. These facts cannot be considered by the Tariff Commission in fixing peril points.

The fifth rigidity is that under this system the peril points will inevitably be fixed higher than is necessary for most products. In a situation in which the Tariff Commission is required to do something which is inherently impossible, to wit, to fix a precise peril point, the point will inevitably be fixed at the very top of any scale of doubt.

The sixth rigidity lies in the fact that if the President should go beyond a peril-point recommendation and, consequently, under the amendment that was in effect 2 years ago, the President would be compelled to publish all peril points involved in that particular negotiation, those peril points will limit action in the future, either (a) because even if circumstances change, and he makes a concession below that peril point in some future negotiation, the fact that the higher point was once fixed will always be cited against him, or (b) because if he does not go so far down as the peril point would permit, the fact that the peril point was lower than what he did do will always be cited against him by the other country in future tariff negotiations.

The seventh rigidity also arises out of the requirement that if one peril point is disregarded, the entire list of peril points involved in the negotiation must be published. This rigidity is that if the President should decide that the advice of the Tariff Commission on a particular peril point was wrong and that he could safely go further than the point fixed, he would be restrained from doing so by the knowledge that he would have to give

away his whole hand to the other countries through the publication of the total peril-point list.

The eighth rigidity arises out of the fact that the members and staff of the Tariff Commission are not permitted to participate in any decisions or in the making of any judgments by the Trade Agreements Committee, but are limited to giving information. The line between information and judgment in the field of tariff making is a very thin one and an express statutory prohibition against either the members of the Tariff Commission or the members of its staff venturing at all into the field of judgment, recommendation or decision could only have a highly limiting effect upon their usefulness to the Trade Agreements Committee, even in the field of supplying actual information.

Finally, the amendment is unnecessary. Certainly the record of the past 17 years has been impressive as to the care with which this program has been administered. The record shows that the collective judgments made by the members of the Trade Agreements Committee have been wise and that the exercise of the authority conferred by the act has been judicious. Against such a background, the introduction of an amendment with so many disadvantages as the peril-point amendment could only be a serious backward step.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. COMBS].

(Mr. COMBS asked and was given permission to revise and extend his remarks.)

Mr. COMBS. Mr. Chairman, I have been amazed during the debate to hear repeated statements made by Members—and I do not question their sincerity at all—expressing fear of what will happen to labor, the people who will be left out in the cold with no jobs, and what will happen to business if their crippling amendments are not adopted. Yet it cannot be disputed that in the days of the high tariff of the twenties and thirties millions were unemployed and business was prostrated. Under the reciprocal trade policies—not due solely to them but under them—from the late thirties until now our production has increased, employment has increased and we have reached a level of production and of prosperity for our business unexcelled in all the history of our Nation. Such statements therefore have no basis in fact; they are denied by the record.

The United States Chamber of Commerce and the Junior Chamber of Commerce are on record in support of this bill, the farm organizations are for it, most of the major labor organizations of the Nation are on record for it.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. COMBS. No, I cannot yield to the gentleman.

Mr. BAILEY. No, because the gentleman does not want me to dispute his statement.

Mr. COMBS. The gentleman will have a chance to speak. The record is here in the printed hearings and speaks for itself. I have only a short time and therefore cannot yield. I want to refer

to what one labor union says in support of the program, and I refer to the testimony of the United Textile Workers of America. I do this because a question has been raised about the attitude of labor unions. The resolution is in part as follows:

During the 1920's protective tariffs, which were at their biggest point in the history of this Nation, failed to provide regular employment or high wages for American textile workers. Similarly, these high barriers did not make jobs or maintain wages for our textile workers back in the depression days of the 1930's. It has been American efficiency and know-how which have enabled American producers to compete in the world market against goods from foreign countries, when people in the world market can get the dollars to pay for American goods. On the other hand, high tariffs have raised the living costs of American consumers. This tends to reduce the ability of American workers to buy American goods, including American textiles.

Tariff reductions under the reciprocal-trade-agreements program are made with care and moderation and only after exhaustive study by trade experts, and after opportunity for interested persons to state their views. In the 16 years during which this program has been carried on it has not brought about any flood of imports of any commodities. In 1949, notwithstanding the various tariff reductions in different types of textiles, under trade agreements since 1934, total United States imports of textiles were ridiculously insignificant by comparison with the vast size of our domestic production. In fact, since the development of the program, the American textile industry has grown very prosperous, jobs have been more steady, and wages for textile workers have reached their highest levels in our history.

Mr. Chairman, that is an expression from a group that is supposed to have been injured by the reciprocal trade program.

Under date of January 17, 1951, Mr. William Green, president of the American Federation of Labor, transmitted to the chairman of our committee a resolution adopted by the American Federation of Labor convention held in Houston, Tex., September 18-23, 1950. That resolution, in strong terms, sets forth the arguments in support of the program in language similar to that I have already quoted from the resolution of the textile workers and proceeds:

Resolved, That the Sixty-ninth Annual Convention of the American Federation of Labor gives its support to our Government's reciprocal trade-agreements program and urges that it be pushed with vigor, unimpeded by partisan political obstacles and the sordid pressure of special interests.

This is on pages 616 and 617 of the printed proceedings. I would read from the testimony of the representatives of other major unions, except it would unduly prolong the discussion at this point. They are all in the printed proceedings and to the same general effect as those I have quoted with the exception of a few unions mostly in local areas where, beyond question, there has been some falling off in production of local industries such as glassware, pottery, and some others due to foreign imports. However, I feel confident this situation can and will be remedied under the law

without any amendment. As a matter of fact, only 20 claims or protests have been filed with the Tariff Commission alleging injury from imports under the Reciprocal Trade Act escape clause, which was first inserted in 1943. It is a remarkable record. Truly our country has prospered under the reciprocal trade program which got us away from the depression conditions brought about by the high tariffs of the late 1920's which dried up our foreign trade.

But it is not alone of dollars and increased production and the increased prosperity of our factories, farms, and workers that I want to speak. The reciprocal-trade program is a vital part of our foreign policy which is aimed to increase peaceful commerce and trade and understanding among the nations of the world and to lay the basis of a permanent peace.

All of us know that world communism is not in sympathy with our aims in that direction.

It has been suggested that the trade-agreements program is being used to coddle and help Communist countries. Let me call the attention of the House to what the Soviets are saying right now about the United States trade policy.

In the December 1950 issue of *Vneshnaya Torgovlya*—Foreign Trade—there appears an article in which United States trade policy and practice are blasted in the most violent terms as anti-Soviet and undermining Soviet trade. The United States theory of freer and multilateral trade is called a "mad concept of United States hegemony for the enslavement, plunder and monstrous exploitation of other countries." Our policies of trying to liberate trade are dismissed as "a demagogic slogan for the penetration and inundation of foreign markets by stale American products."

This is what the Soviets themselves are saying about the trade program, of which the act the House is now considering is a central part. Surely this shows more clearly than any other argument how baseless is the charge that the trade-agreements program is being used to help the Soviets.

In the May 16, 1947, issue of *Trud*, the official publication of the Soviet trade unions, there is a long article blasting the Geneva trade talks as an attempt by America to force upon other capitalistic countries the trading principles of the nineteenth century. This article analyzes United States trade policy, with particular reference to the most-favored-nation principle. On this point it says in part:

In the light of this trend of American policy, the purpose of the London conference of the autumn of 1946, the present conference in Geneva and the United Nations world trade conference it is intended to hold this year is perfectly clear. It is an attempt on the part of the United States to force all countries of the world to accept the most-favored-nation principle for American goods. Why is America so persistently pursuing this aim? * * * The aim of America's economic policy is, by forcing the most-favored-nation principle upon other countries, to insure greater opportunities for the sale of her goods in the world

market and thus to solve, or at least mitigate, the problem of disposing of her products.

On December 28, 1947, the same publication painted a picture of the Habana Conference as being an effort to open world markets and sources of raw materials to the further penetration of American monopolies. The article is entitled "Blackmail at Habana." It labels the Marshall plan and the proposed International Trade Organization as concealment for the imperialist plans of the United States, and ends up by calling the Habana Conference a typical American racket.

In an article in *Foreign Trade*, the official monthly magazine of the Ministry of Foreign Trade in Moscow, the writer said in part:

One of the means of establishing world domination is the foreign-trade program of American imperialism. * * * The basis of the American foreign-trade program is the demand to remove exchange and quantitative restrictions in foreign trade, to remove the preferential system of trade, and to introduce the principle of unconditional most-favored-nation treatment and equal opportunities. * * * The establishment of unconditional most-favored-nation treatment, the reduction of tariffs, and the elimination of preferences mean the removal of any barriers in the way of American expansion.

These expressions from leading trade publications of the Soviet Union leave no doubt about the attitude of that country. Of course, their charges that we are using the trade program to advance the cause of American imperialism is ridiculous. Its purpose is to promote trade and commerce among the nations of the world that they may live together in peace and have the means in each nation to promote the general welfare and raise the living standards of their own people.

But in increasing our markets for foreign goods, reciprocal trade has increased enormously the foreign markets for American goods, mostly manufactured products of many kinds from automobiles and farm machinery to farm products; because, as we purchase the products of other countries, many of them basic raw materials that we seriously need, our purchases put American dollars in the pockets of their peoples so they can buy our products. This is the real reason that Russia opposes the program. The Soviets would like nothing better than for us to so injure or destroy the reciprocal-trade program so that our purchases of foreign goods would cease, thereby bringing about a situation in which she could make special arrangements with other countries, and thus put rubles in their pockets instead of American dollars and force them to trade with her because they would not have the means of trading with us. That is the crux of the whole matter. Let us not betray the free world by crippling with amendments our foreign-trade program which has brought us so far along the road toward the restoration of normal trade and commerce between our country and so many countries of the world. This program is vital to the

future prosperity of our own country. It is vital also to the peace of the world. And the kind of bill the Congress shall eventually pass may well determine what kind of world our children will live in for a long time to come.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. PHILBIN].

(Mr. PHILBIN asked and was given permission to revise and extend his remarks.)

Mr. PHILBIN. Mr. Chairman, I have made my views known in this body several times before concerning the reciprocal-trade program. I desire, however, briefly to state some of the reasons which motivate my present action in opposing any reciprocal-trade measure which shall not adequately and expressly safeguard the welfare and prosperity of American industry, and thus guarantee, to a maximum degree possible, American working men and women to full-time, well-paid employment.

Let me state that I favor the encouragement of trade and commerce with foreign nations provided that the flow of that trade and commerce does not impair, harm, and destroy our own industrial strength. I have always opposed log-rolling tariffs which bestowed bounties on some classes and imposed oppressive prices and exactions on others. Such tariffs worked great injustice, promoted special privilege, and in effect levied indirect imposts upon the people. I believe, therefore, that the tariff question should be removed from politics as far as possible. I believe that qualified experts, businessmen, farmers, labor representatives, and other interested groups should all take part in the formulation of tariff rates and trade agreements.

If such principles were followed by our officials in making agreements and fixing rates, there would be no basis for criticism. But the whole process of making these trade agreements has been marked all too frequently by compromises and concessions to foreign nations that have not only imperiled American industries but have visited them with stagnation and depression, stalemate and unemployment which, were it not for the existing emergency in the world, would rapidly bring about economic collapse for many industries. I will not burden the House with detailed examples because they are well known and range from mining to textiles and from wool to boots and shoes and scientific instruments.

In my opinion, there is no justification for any law which permits the present flow of competitive goods from Russia and its satellites behind the iron curtain. This policy is strengthening potential enemies by giving them not only valuable dollars but also strategic materials.

Nor is there justification for failing to incorporate in this law provisions requiring certain and speedy adjustments of tariffs whenever imports reach the peril point and threaten the security and well-being of industries upon which we must depend to provide jobs, opportunities, and sustenance for American workers.

It is also incontrovertible that any worth-while reciprocal trade program should contain provisions by which our Nation would be able to escape from or avoid adverse and unfavorable and harmful consequences as the result of inequitable and unfair competition by cheaply made foreign goods.

Unless this bill is amended to meet these objections, I will vote against it because in that event it would work a great injustice to the workers and industries of my district and State.

I think that the American people are very much dissatisfied with—and some have strongly protested against—the ultraliberal and ultrainternationalistic concepts and ideological aims that have crept into the negotiation and administration of the trade-treaty law. The devaluation of the pound sterling has evidenced the gap between foreign and domestic cost of production with regard to several nations. That is surely most harmful in its effects. But it is hard to understand, much less estimate, the arrangements which allow the so-called iron-curtain countries to dump their slave-labor goods on the American market.

These particular agreements are defended on the ground that they promote peace and good will and raise standards of living in certain backward nations. But it is a peculiar and ill-advised altruism indeed which effectuates these concessions bringing loss of employment and loss of prosperity to American industries and at the same time strengthening the economy and the military potential of nations lined up against us in the conflict between freedom and slavery.

I hope the House will vote in this instance to secure and protect our industries, our workers, our farmers, and our businessmen. That is the path to the national strength we must have in this grave hour of world history.

American productive capacity is our greatest weapon in this crisis. Let us zealously and fearlessly protect it.

The CHAIRMAN. The Chair recognizes the gentleman from Arkansas [Mr. MILLS].

Mr. MILLS. Mr. Chairman, I ask unanimous consent that the time allotted to me be given to the gentleman from Massachusetts [Mr. McCORMACK].

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. McCORMACK].

(Mr. McCORMACK asked and was given permission to revise and extend his remarks.)

Mr. McCORMACK. Mr. Chairman, many years ago there came from the great State of Tennessee to the Halls of Congress a young man whose name was Cordell Hull. He served in this body with distinction for a great many years, fighting high tariffs put into effect by the Republican Party of his day. He recognized the future danger to our country of such policy. He saw the position that our over-all economy might be

put into, the disadvantage to agriculture, the disadvantage to many elements of our industry. He saw the repercussions abroad in the ultimate building up of higher and higher tariff walls in other countries against our goods from the farm and from the factory. He saw the vicious circle developing, and he knew that that was one of the causes that led to unrest, suspicion, distress—yes, hatred, which brought about imperialism and resulted in war. For many years he fought in this Chamber to have the Congress enact into law a scientific method applicable to our country and reasonably just and fair to other countries for international intercourse in business, and at the same time bringing protection to our own people, both in industry and on the farms. He later was sent by the people of his great State to the United States Senate and he continued his great fight. He not only fought in this direction but he fought for income-tax legislation. He made many other great fights, but one of his great contributions was in the field of sound, intelligent tariff legislation.

After leaving the other Chamber he was appointed Secretary of State, and for all time the name of Cordell Hull will go down in American history as one of the greatest Secretaries of State that our country has ever had or will have. As a cornerstone of his great career, if he were asked to pick out the one greatest thing, the greatest contribution that he felt he had made to the progress of our country, it would be the Hull reciprocal trade agreements legislation. We are now asked by the pending bill to extend for a period of 3 years that which Cordell Hull fought for for so many years and that which Cordell Hull finally was instrumental in enacting into law. If Cordell Hull were not confined to his home during the past several years due to illness, we would hear his voice ringing today urging the Members of Congress to extend unrestricted for another 3 years the Hull reciprocal trade agreements law. He saw the dangers and the harmful results of the Smoot-Hawley Tariff Act. He saw it make a powerful contribution in bringing about an economic conflagration. He saw its great contribution to this misunderstanding throughout the world, and it certainly did bring great misunderstanding throughout the world. You and I saw this great country go into a great economic conflagration due in part to the Smoot-Hawley Tariff Act. In 1932 the national income was \$39,000,000,000; last year it was \$260,000,000,000. We have seen what the high protective tariff acts of the Republican Party have brought about. And we have seen the beneficial contributions made to the healthy building up of our country domestically and bringing about satisfactory conditions throughout the world under the Hull Reciprocal Trade Agreements Act.

In 1936 the Republican Party in its platform came out for the repeal of the Hull Reciprocal Trade Agreements Act. I respect the gentleman from Pennsylvania [Mr. SIMPSON]. He is opposed to

this type of legislation. I respect those who are opposed to it, absolutely and definitely. They want us to go back to the Smoot-Hawley Act with all of its vicious results. And they are honest. But there are those who by indirection are trying to impair and destroy the effectiveness of that which the great Cordell Hull, after many years of effort, had put on the statute books of our country and which today we are attempting by the pending bill to extend for 3 years.

The pending amendment, if adopted, will seriously impair the Hull reciprocal trade agreements law. You and I who have followed the leadership of Cordell Hull, you and I who believe in the leadership of Cordell Hull, should keep in mind that this is an indirect attack on the stability and the strength of the Hull reciprocal trade agreements law.

In 1949 we exported \$12,000,000,000 of goods and farm commodities and imported \$7,000,000,000. In 1939 we exported \$3,000,000,000 and imported \$2,000,000,000. The reciprocal trade agreements law has removed artificial barriers, has brought about better understanding, and has inured to the benefit of our country. Today it is an important part also of our relationship with other countries.

The pending amendment, as I say, will be an attack upon that which Cordell Hull has given to us. I hope the amendment will be defeated.

(Mr. CURTIS of Nebraska asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. CURTIS of Nebraska. Mr. Chairman, the trade agreements program has been in effect since 1934. The proponents of that program said that it would relieve the depression and would bring peace to the world. When we entered the war economy of World War II there were still about 10,000,000 unemployed in the country. It is ridiculous to suggest that the trade agreements program has produced either prosperity or peace.

It is important that Congress take a look at the trade agreements program to see how it is being administered. The State Department, in administering the trade agreements program, has not kept faith with agriculture. The State Department officials not only lacked information about the problems of the American farmer, but they rejected the information that has been available from the Department of Agriculture and the Tariff Commission. In the early years of the program greater reductions of tariff were made with reference to agriculture than any other industry. The fact that the tariff had been cut the full 50 percent as authorized in the original act on many agricultural products was the primary reason for the administration asking for authority to make an additional cut of 50 percent a few years ago.

When Mr. John C. Lynn, associate director of the American Farm Bureau Federation, appeared before our committee I asked him about the potato situation in reference to our tariffs and the trade agreements program. I want to

quote to you just a little from that testimony:

Mr. LYNN. Well, the potato situation is not a good one to talk about.

Mr. CURTIS. But you have to hear about it.

Mr. LYNN. Yes, sir. You have to face those rotten eggs once in a while. The potato situation that has given us so much trouble, or given us so much publicity, I think, is the Canadian potatoes coming into the United States. I think we could make a point there as covered in our statement.

Now, potatoes from the United States going into Canada pay a 75-cent duty per 100 pounds; potatoes coming from Canada to the United States on a quota of 3,500,000 bushels pay a 37½-cent duty. There is a case where we believe that reciprocity should be considered in these trade agreements. We are not saying that the duty should be raised to this level in Canada. But take Maine, for example. There is just an imaginary line between Maine and Canada, and potatoes are split right down the middle of the area; therefore, the duty from one place to another should be the same.

Another example to illustrate that is apples. In the case of apples from Canada to the United States, the duty is one-quarter of a cent a pound; in the case of apples from the United States to Canada, it is three-quarters of a cent a pound. Now, again, the same thing would apply.

Mr. CURTIS. And you had situations like that in mind when you stated it should be reciprocal?

Mr. LYNN. That is right.

Mr. Lynn pointed out the highly competitive nature of American farm products and their susceptibility to foreign imports. The testimony continues, as follows:

Mr. CURTIS. Now, take the Western Hemisphere. There are a great many competitors of the American farmer, are there not?

Mr. LYNN. Yes, sir.

Mr. CURTIS. But not so many very great competitors of America's heavy industries?

Mr. LYNN. I think, generally speaking, we are just about as efficient producers of agricultural products as industry is of industrial products. However, if I might use this as an example, an American GE refrigerator is just so much different from any other kind you see in the world that it is superior; whereas a bushel of wheat produced in America of the hard type and a bushel of the hard type from another country are about alike.

Mr. CURTIS. In other words, agricultural products are more sensitive to world prices than many industrial products?

Mr. LYNN. I think that is right. I think that is generally true.

Mr. Marion R. Garstang, of the Milk Producers' Federation, gave some very pertinent testimony on this same point. The testimony continues:

Mr. CURTIS. Mr. Garstang, you represent dairy farmers or the manufacturers of dairy products, or both?

Mr. GARSTANG. The farmers, the producers.

Mr. CURTIS. Is it not true that the duty on butter has been reduced by trade agreement negotiations from 14 cents a pound to 7 cents a pound on the annual quota of 60,000,000 pounds?

Mr. GARSTANG. That is right.

Mr. CURTIS. That means that if they import more than 60,000,000 pounds, the tariff goes to 14 cents on that amount that is over?

Mr. GARSTANG. That is right.

Mr. CURTIS. And is not 60,000,000 pounds almost three times as much as past imports in any one year except 1920?

Mr. GARSTANG. That is true. It is also a sufficient amount on a delicate market to just tear it to pieces.

Mr. CURTIS. Do not the chief imports of butter usually arrive at New York City; that is one of the principal ports of entry?

Mr. GARSTANG. I think that would be true; I am not sure.

Mr. CURTIS. I believe it is. And is it not also true that the price received by dairy farmers for their products is geared to the wholesale price of butter in New York City?

Mr. GARSTANG. In a great many markets—

Mr. CURTIS. I am talking about dairy farmers that are not in an organized milkshed where they have a local area for selling their product.

Mr. GARSTANG. Even in a great many of the milksheds which are subject to Federal orders, the price is set up on a formula which uses the price of butter as one of the elements of the formula and in a great many of the other markets that are not under Federal orders, a formula is used in which the butter price plays an important part.

Mr. CURTIS. Would the arrival of a boatload of butter, or the knowledge that it is expected to arrive, depress the price of butter in that market which would, in turn, depress the price to the dairy farmers throughout the country?

Mr. GARSTANG. I have heard the managers of some of our cooperatives say that one boatload of butter would upset the market particularly if the market happened to be well supplied with domestic production at the time.

Mr. CURTIS. Because the seller who offers his product at the lowest price really sets the market?

Mr. GARSTANG. That is right.

Mr. CURTIS. At the present time butter imports are controlled through this section of the War Powers Act which you have read?

Mr. GARSTANG. That is right.

Mr. CURTIS. But if those controls are removed the situation that you have described would exist, would it not?

Mr. GARSTANG. We were told at the Department of Agriculture about 2 or 3 weeks ago that there was considerable pressure on them to grant import licenses for butter. They are holding them down rather closely, but there are demands being made on them to grant import licenses for butter.

Mr. CURTIS. Is it not true that the duty on Cheddar cheese was reduced to 3½ cents per pound, but not less than 17½ cents ad valorem by the trade agreements negotiations at Geneva in 1948?

Mr. GARSTANG. I do not have that information here, but that sounds about right.

Mr. CURTIS. And that is about one-half of the 1930 rate. I think you will find that is true. Do you know approximately what the imports of Cheddar cheese were in 1950? Were they not in the neighborhood of 15,000,000 pounds?

Mr. GARSTANG. It was 12,000,000 pounds for the first 10 months, so it would run close to 15,000,000.

Mr. CURTIS. Do you think that this duty reduction contributed to these large importations?

Mr. GARSTANG. Yes; I am sure that it did to some extent.

Mr. CURTIS. That is all.

Not only have the farmers of Nebraska been injured under the trade agreements program, but it has been a detriment to industry. One of Nebraska's leading industries is the production of motor scooters. These motor scooters are made at the Cushman Motor Works in Lincoln, Nebr. It is one of our largest home-owned industries. The principal competitor of a motor scooter is a motor-

cycle. There has been a heavy importation of motorcycles into the United States. Many of these came from behind the iron curtain. In other words, tariff concessions were granted by our Government to the makers of motorcycles in Czechoslovakia. Now I want to tell you just a little bit about the tariff on motorcycles.

The Tariff Act of 1930 fixed a 10-percent ad valorem duty on motorcycles, with a provision that if another country had a higher duty on motorcycles that our tariff could be raised to meet the foreign competition. The Trade Agreements Act of 1934 repealed this contingent provision. The present tariff duty for our importation of a motorcycle into Great Britain is 22½ percent ad valorem. The States Department has frozen our tariff on English motorcycles coming into this country at 10 percent. Is that reciprocity? Is that fair play? The motorcycle imports from England into the United States the first 10 months of 1950 were valued at \$2,759,000.

The domestic jeweled-watch industry, consisting of Elgin National Watch Co., Hamilton Watch Co., and Waltham Watch Co., has been seriously affected by the reduced duties on imported Swiss watch movements. Their employment, earnings, and unit production have been severely curtailed by the competition from the Swiss industry whose average wages are almost one-third of the domestic average.

Elgin has been forced to begin importing low-priced watches through a subsidiary, Wadsworth Watch Case Co. Other companies will be forced to take the same measures.

The serious aspect of this situation is the injury to our national defense. There is no question that the jeweled-watch industry is vitally essential to our preparedness and ability to wage war. It is indispensable not only for timepieces but for many precise mechanisms to be used in a war of gadgets. Yet it is being whittled away, stifled, and ignored.

There are many ways to confuse the picture, but in the end the facts remain that our watch industry is well below our needs, not only in these fields but also in jeweled bearings, all of which are now imported from Switzerland. Aside from what may be done with the trade-agreements program as a whole, our jeweled-watch industry must be protected. It is already too small and should be supported and given an opportunity to expand as rapidly as possible. There is no excuse for our country being too little and too late in this part of its industrial capacity.

In a letter addressed to me and read to the committee, Mr. James G. Shennan, president of the Elgin National Watch Co., said:

In 1935, the year before the trade agreement with Switzerland, the domestic industry supplied about 53 percent of the watches sold to the American public. By 1941 this had fallen to 39 percent and today it is 28 percent. Though imports have increased from about 4,000,000 movements in 1941 to almost 9,000,000 in 1946 and 7,000,000 in 1949, the domestic industry in 1949 was able to sell only slightly less than the num-

ber of watches it sold in 1941. It would be difficult to convince our salesmen that the Swiss trade agreement helped the industry.

As we have stated before, our position respecting tariff has not been taken solely out of consideration for the welfare of the industry, or even its employees, but also because of the industry's extreme importance to national security. As you know, it has been our contention that the industry is too small for the vital purposes of national defense. This, now, has been borne out by statements made by the Chairman of the Munitions Board in answer to an inquiry from a subcommittee of the Senate Finance Committee, specially appointed last year to study the situation of the domestic industry. Pertinent excerpts from two letters by the Munitions Board Chairman are quoted below so that you may have before you the proof of our contention in this connection:

"Assuming that we will have to rely exclusively on our domestic capacity to produce timepieces and related items in a future emergency, and based on an analysis of our experiences in the last war, I believe that the preservation of a minimum level of domestic productive capacity is absolutely essential.

"I regret that I am not in a position to state now what that minimum level should be, but if it would be helpful to you, I would venture the opinion that in no event should it be lower than the 1941 level of operations." (Letter of March 17, 1950.)

"As I pointed out in my prior letter, the maintenance of a healthy watch industry is essential to the national security. In addition to the items which it alone can produce the industry undoubtedly would again be called upon for the production of other items for which it is not the sole producer.

"In view of this, it is our feeling that, as a matter of precaution against probable future needs, every effort should be made to prevent the dissipation of the productive capacity of the industry and to maintain it in a healthy condition." (Letter of May 9, 1950.)

The total conversion of the industry to war production during the years from 1942 through most of 1945 gave the importers of foreign-made watches and movements a virtual monopoly of the American market. It has taken the whole American industry, not just this company, the 3 years since the end of the war to fight its way back in unit sales to the 1941 level. Even now, with a new and more serious threat to our national security than ever before, the industry is still at that minimum level to which the Chairman of the Munitions Board referred. In these times minimum levels are not enough. This country should have an industry fully capable, beyond doubts, of taking care of all needs. Great Britain has been subsidizing and supporting its horological industry for 10 years, because of its military importance.

I think it is fair to say that the State Department has been openly hostile to the American jeweled-watch industry, notwithstanding that industry's absolute necessity to our defense program. A thorough investigation ought to be made of the people in the State Department who have been running our trade-agreements program. It is well known that Alger Hiss had something to do with the trade agreements. When the general trade-agreement convention was held in Switzerland, Mr. Clayton took 100 or so associates over there with him. The gentleman from New York [Mr. REED] caused an investigation of these individuals to be made and found that there were 10 Communists in Mr. Clayton's party. I would like to ask the question, Were the Communists sabotaging America through the trade-agreements program?

One of the very fine witnesses that appeared before the Committee on Ways and Means in reference to trade agreements was Walter W. Cenerazzo, national president of American Watch Workers Union. Among other things, he said:

A perusal of these rates will show that a watch finisher receives from 54.1 cents per hour to 57.2 cents per hour, American money, and in the United States the comparative rate for a piece worker, watch finisher, is \$1.85 per hour with earnings averaging better than \$2 per hour. A pinion maker ranges from 26.9 cents per hour, class 7, to class 1 at 56.5 cents per hour in Switzerland and the comparable rate in the United States is \$1.60 to \$1.90 per hour.

This pinion maker is an interesting comparison, because the American pinion maker works on the same machine as his counterpart in Switzerland.

These machines they work on are manufactured in Switzerland in Moutier by the firms of Beckler, Peterman, and Tornes, and are sold to us here in the United States. One of the few pieces of machines not blocked for sale by Switzerland to American firms. The productivity from these machines must be the same but how different the wage rates are.

Our average wages in the United States are in excess of \$1.40 per hour and in addition there is a vacation with pay, the paid holidays, the group insurance, the pension plans, social security, unemployment compensation, which is part of the direct wage costs, among other things. These are all based on the employee's average wage in their payment and the total average wage is about \$1.60 per hour. In Switzerland these figures will show the wages are from one-third to one-fourth of our wages.

The records are clear as to what a 17-jewel watch movement can be brought into the United States for. The Commissioner of Customs can readily make those figures available to your committee as can the Statistical Division of the Department of Commerce. Profit and all, 17-jewel watch movements come in for an average of \$6.10 apiece, transportation costs with insurance not more than 10 cents per movement and the tariff ranges from \$2.10 for a 17-jewel man's watch movement to \$2.70 for a woman's watch movement, a total of \$2.90. The cost of producing a 17-jewel watch movement in this country is considerably in excess of that with American wage costs and other costs. How can a domestic manufacturer compete on equal terms with such competition.

Mr. Chairman, I too would ask the question as did Mr. Cenerazzo—how can the men and women employed in the Elgin National Watch Co.'s factory at Lincoln, Nebr., compete with this Swiss system without some further measure of tariff protection? It is apparent that the importers are the ones who have the ear of the State Department.

Another witness who made a very fine contribution to our hearings was Mr. O. R. Strackbein. It is very significant that more and more of the working people of the country are finding out that our trade agreements program is not reciprocal; that it favors Soviet Russia; and that it discriminates against American labor and industry. It has not relieved unemployment. And certainly it has not prevented war. Mr. Strackbein spoke in opposition to the trade agreements program. In his dual capacity as chairman of the Labor-Management Counsel of Foreign Trade Policy and as secretary of America's Wage Earners Protective Conference, Mr. Strackbein

spoke for the following labor groups: American Flint Glass Workers' Union; Atlantic Fishermen's Union; Seafarers' International Union; Fish Cannery Workers' Union of the Pacific; International Brotherhood of Bookbinders; International Photo-Engravers' Union of North America; United Hat, Cap, and Millinery Workers' International Union; International Council of Aluminum Workers' Unions; National Brotherhood of Operative Potters; United Cement, Lime, and Gypsum Workers' Union; International Chemical Workers' Union; National Match Workers' Council; Greenhouse Vegetable Workers' Union 20557; United Wallpaper Craftsmen and Workers' Union of North America; International Union of Operating Engineers; Glass Bottle Blowers' Association; Window Glass Cutters' League of America; Brotherhood of Painters, Decorators, and Paperhangers of America; American Wire Weavers' Protective Association.

The trade-agreements program has lowered the tariff on most imports coming into the United States. The tariff is a tax on imports. If any tax is taken off or removed, it has to be made up in some other way. This means that this program, which has failed so terribly, has caused a great loss of revenue to the Federal Treasury. If the imports that came into the United States last year had paid the regular rate of duty as established by the Tariff Act of 1930, our Federal Treasury would have been about \$3,000,000,000 ahead. Now Mr. Truman is insisting that we raise the taxes on the American people. Three billion dollars is a lot of money.

The fact that our trade-agreements program has played definitely into the hands of Russian Communists cannot be denied. On that point, I want to quote from the minority report on this bill:

As the result of the most-favored-nation principle, reductions in duty and other concessions made by the United States with all countries under the trade-agreement program are automatically extended to Russia, Communist China, and all other Communist-dominated countries. We now have trade agreements with approximately 45 free countries covering literally thousands of imported items, and the benefits of all these concessions contained in these agreements are now benefiting Russia, Communist China, and their satellite iron-curtain countries.

In the case of Russia, for example, approximately 88 percent of its dutiable imports into the United States benefit from reduced rates provided in trade agreements by us with free countries, and 92 percent of the tax-free imports from Russia consists of products bound on the free list in trade agreements by us with free countries.

In the case of Communist China, 72 percent of the dutiable imports into the United States from that country benefit from trade-agreement concessions granted by us to free countries, and 75 percent of the duty-free imports of that country benefit from our concessions to the free nations.

Briefly summarized, similar figures for other iron-curtain countries are as follows:

Poland, 80 percent of the dutiable imports and 79 percent of the free imports.

Hungary, 73 percent of the dutiable imports and 69 percent of the free imports.

Bulgaria, 97 percent of the dutiable imports and 80 percent of the free imports.

Manchuria, 99.8 percent of the dutiable imports and 98 percent of the free imports.

Rumania, 96 percent of the dutiable imports and 84 percent of the free imports.

Detailed statistics on these import figures are contained in appendix A.

It is outrageous that our American soldiers should be fighting the Communists in Korea while at the same time all the Communist countries are enjoying the benefits of concessions made by the United States to the free world without (except in the case of Czechoslovakia) having given the United States a single concession in return. We recommend that this rank and preposterous inconsistency in our foreign policy be removed at once by the denying to Russia and Communist China, and to any Communist satellite country (including North Korea) which the President finds is part of a conspiracy against the free world, the benefit of the reduced rates which we have granted to the free world.

The administration of our foreign trade by the State Department in addition to helping Russia's war potential has hurt the United States defense program. It is not any wonder that the twenty-fifth Women's Patriotic Conference on National Defense meeting at the Statler Hotel in Washington, D. C., on January 25-27, 1951, condemned the trade agreements program and recommended that the act be not extended. The resolution is as follows:

Whereas a healthy national economy is necessary to a strong national defense; and

Whereas good wages and full employment form the foundation of a healthy economy; and

Whereas the free trade importation of products of countries where workers are paid much less than workers producing comparable goods in the United States can only result in increasing unemployment here and a weakening of our economy and our potential for national defense; and

Whereas the so-called reciprocal trade agreements program has removed protection from our workers and investors against the unfair competition of the low-paid workers of other countries, thereby threatening jobs of workers in industries important to our national defense; and

Whereas as a result of the reduction of tariffs and import fees incident to the passage of the Trade Agreements Act of 1934 as extended, grave injury already has been inflicted upon various industries in this country important to our national defense program; and

Whereas imports into our country should be controlled by the imposition of import fees which would reflect the difference in our workers' wage standard and standard of living to those standards in other countries: Therefore be it

Resolved, That the twenty-fifth Women's Patriotic Conference on National Defense urge upon Congress that the Trade Agreements Act of 1934 as extended which expires in June of this year, be not extended further and that in its place there be established the principle of flexible import fees, to be decided upon by the Congress in keeping with the Constitution of the United States.

The Women's Patriotic Conference on National Defense consists of 40 participating organizations as follows: American Gold Star Mothers, Inc.; American Gold Star Sisters, Inc.; American Gold Star Wives, Inc.; American Legion Auxiliary; American War Dads Auxiliary; American War Mothers; American Women's Legion of World Wars; Auxiliary to Sons of Union Veterans of the

Civil War; Blue Star Mothers of America; Catholic War Veterans of the U. S. A. Ladies Auxiliary; Dames of the Loyal Legion of the U. S. A.; Daughters of Union Veterans of the Civil War, 1861-65, Inc.; Daughters of the United States Army; Ladies Auxiliary of the Military Order of the Purple Heart; Ladies Auxiliary of the Veterans of Foreign Wars; Ladies of the Grand Army of the Republic; Marine Corps League Auxiliary; National Amvets Auxiliary; National Auxiliary, Jewish War Veterans of the United States; National Patriotic Council; National Society for Constitutional Security; National Society, Daughters of the Revolution; National Society, Daughters of the Union, 1861-65, Inc.; National Society of New England Women; National Society, Patriotic Women of America, Inc.; National Society of Service Star Legion, Inc.; National Society, Women Descendants of the Ancient and Honorable Artillery Company; National Woman's Relief Corps Auxiliary to the Grand Army of the Republic; National Yeomen F; Navy Club, United States of America Auxiliary; Navy Mothers Club of America; New York City Colony, National Society, New England Women; Society of Sponsors of the United States Navy; The Wheel of Progress; United States Army Mothers; Women of the Army and Navy Legion of Valor of the United States of America; Women's National Defense Committee of Philadelphia; Reserve Officers Association, Ladies Clubs of the United States; The National Gold Star Mothers, Inc.

Mr. Chairman, right now people are worried about the war. That does not relieve this Congress from taking a look at this legislation. I am convinced that an investigation of the operations of the trade agreements law would lead a majority of the Congress to feeling that the program should be discontinued.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. SIMPSON].

The question was taken; and on a division (demanded by Mr. MILLS) there were—ayes 198, noes 107.

So the amendment was agreed to.

Mr. BYRNES of Wisconsin. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BYRNES of Wisconsin: After line 9 add a new section, as follows:

"SEC. 3. As soon as practicable, but not more than 90 days after enactment of this act, the President shall take such action as is necessary to withdraw or prevent the application of reduced tariffs or other concessions (including the binding of an article on the free list) contained in any trade-agreement hereafter entered into under authority of section 350 of the Tariff Act of 1930, as amended and extended, to imports from the Union of Soviet Socialist Republics and to imports from any nation or area thereof of which the President deems to be dominated or controlled by the foreign government or foreign organization controlling the world Communist movement."

Mr. MILLS. Mr. Chairman, I make a point of order against the amendment, and reserve the point of order so that I may have an opportunity to examine the amendment.

Mr. BYRNES of Wisconsin. Mr. Chairman, I ask unanimous consent to be permitted to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BYRNES of Wisconsin. Mr. Chairman, we have heard the word "reciprocal" bandied about this afternoon. Anybody listening to the speech delivered on the floor just a few moments ago by the majority leader, the gentleman from Massachusetts, heard it used in practically every sentence. Webster defines "reciprocal" as "mutual, shared, felt, shown, or the like, by both sides." Webster also says "reciprocal has the implication of an interchange of the same feeling or act."

Mr. Chairman, under the administration of the Trade Agreements Act there has not been reciprocity. There are today more trade barriers imposed against American goods than when the program was instituted. Other countries have imposed import quotas, blocked currency operations, currency manipulations, state trading, and all the other vast number of new devices that are used today to restrict imports.

Mr. Chairman, I am not criticizing those countries, for doing so, because I think we can all appreciate the difficulties they had and the problems they had so far as their trade balances were concerned. But I certainly do not think it befitting a majority leader or a Member of the Congress or a department of the Government of the United States to sell a program to the people of the country on the basis that it is reciprocal when it is no such thing.

There is compelling evidence that this program is not reciprocal. It can be found in at least one instance by an examination of the operation of the program with respect to the Communist countries of the world. Let us understand at the beginning that we have no trade agreement with any country behind the iron curtain, with the exception of Czechoslovakia. We have today no trade agreements, for instance, with Russia, none with Bulgaria, none with Poland, none with Hungary, none with Rumania, and none with China. Yet all of the concessions that we have granted to any country with whom we do have an agreement by virtue of the Trade Agreements Act is extended to those countries. What does that mean today in the trade between these countries and the United States of America, particularly as it relates to their exports to this country?

Using the figures for 1949, which is the year for which we have complete figures, of the dutiable goods imported into this country from Russia, 88 percent came in with the benefits of concessions granted under the trade-agreements program. Of the items imported from Russia which were on the free list, 92 percent were items which have been bound on the free list by reason of trade agreements entered into under the authority of this act.

In the case of Poland, 80 percent of the dutiable imports that came into this

country in 1949 came in with benefits granted under the Trade Agreements Act.

In the case of Bulgaria, 96 percent of the items coming into this country have benefited by reason of concessions made.

From Hungary 73 percent of the dutiable imports were benefited as a result of concessions. Rumania, 96 percent; China, 76 percent.

Is that what the gentleman from Massachusetts [Mr. McCormack] would call a reciprocal program, when they gave us nothing for all the concessions that we have given? They have no agreements with us whatever.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield.

Mr. BAILEY. I would like to inform the distinguished gentleman from Wisconsin that I have in my office three linen towels stamped in the weave "Made in Soviet Russia," bought in a department store in Miami, that came into this country under the provisions of the Czechoslovakia reciprocal trade agreement. I just wonder how much of that is finding its way into the American markets through the favored-nation clause. I hope the gentleman explains to the Committee a little more the devastating effect of the favored-nation clause.

Mr. BYRNES of Wisconsin. I thank the gentleman for that evidence of a lack of reciprocity and what is actually happening as a result of the extension of the concessions that we have made to the iron-curtain countries.

Where, may I ask, is the reciprocity in a program that extends benefit to a country that gives you nothing in return? I am amazed that the majority party, that the majority on the committee, should seize upon a technicality to continue those benefits to the Communist countries of the world.

The amendment which I proposed in the first instance recommended only one thing and asked only one thing, that is, that any concessions granted by reason of these trade agreements should not be extended to the Communist countries. That is all it did. Yet they seize upon a technicality and say, "Oh, no. We want to continue to extend these benefits to Communist areas."

Mr. SIMPSON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield.

Mr. SIMPSON of Pennsylvania. Will the gentleman explain that his amendment will in no wise hinder the importation from Russia of any war materials that we may want?

Mr. BYRNES of Wisconsin. It certainly does not. Items coming from iron-curtain countries are not restricted by reason of the amendment. All it provides is that any imports that do come in shall come in under the tariff rate imposed by the Congress under the Tariff Act of 1930 and not come in under reduced rates which have been given as the result of so-called reciprocal concessions, in which they played no part whatever.

Another thing the amendment would do, however, it would free our hands, as a Congress and as a Government, to deal as we see fit, with the problem presented

by the importation of specific items from those countries. Let me explain briefly what I mean by using this example. Fur imports from Russia and the iron-curtain countries since the war have been used as a device by Russia and the satellite countries to get dollars—dollars with which to purchase strategic items elsewhere, which they may need for their economy or their military efforts. In the last 4 years the iron-curtain countries have imported into this country \$148,000,000 worth of furs. Granted they were on the free list, but the industry, in attempting to get some action to protect itself against this inflow of imports, was faced with this statement from all of the agencies of Government to which they appealed: "We cannot impose any restrictions on the importation of Russian or Communist furs because they are bound on the free list, as a result of trade agreements that we have with other countries."

Do we have to be bound in our conduct and treatment of goods from Russia and Communist countries by reason of some concession we have granted some other country and for which Russia or the other Communist countries have given up nothing of worth? I say "No," and I say that we as a Congress should say "No," and write it into the act. Unfortunately we cannot do much in view of the insistence of the majority to stand on a technicality in order to permit Russian goods to come with the benefits of the concessions granted in trade agreements already entered into. However, we should do all we can to prevent such things happening in the future and see to it that no concession granted in future trade agreements shall be extended to the importation of products from countries under Communist domination.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield.

Mr. SIMPSON of Pennsylvania. When we buy fur coats from Russia we pay her in gold which they use to buy war equipment which they use to fight our men in Korea.

Mr. BYRNES of Wisconsin. Absolutely, and it makes it that much easier for them to get dollar credits if they can do so on some nonessential item rather than to have to part with such essential things as manganese, tungsten, and some other things that we need and which can be imported without damage to domestic industry.

Mr. Chairman, there have been many false claims made for the trade agreements program. The most unfounded claim is that it is reciprocal. It is no such thing. The adoption of this amendment will not make it so. The adoption of the amendment will, however, remove the most glaring evidence that it is not reciprocal.

The adoption of this amendment will also show that in at least one area we are not going to further appease communism.

(Mr. BYRNES of Wisconsin asked and was given permission to revise and extend his remarks.)

Mr. MILLS. Mr. Chairman, I have had an opportunity to discuss the gen-

tleman's amendment as it has been altered and corrected with some of the members of the committee on this side. As I understand the gentleman's amendment now, what he is proposing to do is to direct the President to remove the most-favored-nation policy in connection with any future agreements that may be entered into as far as imports from Russia, Red China, or the satellites of those countries are concerned. Is that right?

Mr. BYRNES of Wisconsin. That is substantially correct.

Mr. MILLS. I think perhaps the purpose the gentleman has in mind can better be served by other language, but as far as I personally am concerned I am willing to accept the gentleman's amendment with the understanding now that during the course of the consideration of the bill in conference, we may perhaps want to perfect the gentleman's amendment if it is possible for us to perfect it.

Mr. BYRNES of Wisconsin. I would be very pleased to have the gentleman perfect it and particularly perfect it relating to some of the agreements that are now in existence. But I do want to say to the gentleman that I appreciate his action at this time with respect to the present state of the amendment.

Mr. MILLS. The gentleman understands that those of us who bring legislation in on the floor of the House sometimes feel honor bound to the committee and to ourselves to protect the legislation from amendments which are not in keeping with the rules of the House. I objected to the gentleman's amendment earlier because it was not germane to the bill before us. The gentleman's amendment now is germane to the bill before us and I am suggesting that, as far as I am concerned, I am perfectly willing to accept his amendment. Some others on this side agree with me.

Mr. BYRNES of Wisconsin. I appreciate that. If the gentleman would permit I should like to make it clear, however, that we on this side of the House have waived points of order on amendments coming up from the floor dealing with specific subjects.

Mr. MILLS. With regard to other legislation, but not legislation from the Committee on Ways and Means.

(Mr. SADLAK, Mr. KERSTEN of Wisconsin, Mr. TOLLEFSON, Mr. COLE of New York, and Mr. SMITH of Wisconsin asked and were given permission to extend their remarks at this point in the RECORD.)

Mr. SADLAK. Mr. Chairman, a great forward step will be taken with the passage of the amendment offered by the gentleman from Wisconsin [Mr. BYRNES]. It has my fullest endorsement because its purpose and aim to a limited degree will accomplish the expression of my Concurrent Resolution 11 introduced on January 3. It is the sense of the Congress in that resolution that the President should take such action as may be necessary to rescind any foreign-trade agreement negotiated with any foreign country, or any instrumentality thereof, under the

provisions of section 350 of the Tariff Act of 1930, as amended, if the Secretary of State is of the opinion that the government of such country is Communist controlled.

Addition of the Byrnes amendment will be heartening to those of us who desire additional action beyond the curtailment of the benefits now inuring to Communist satellite countries from the favored nation clause. The Byrnes proviso added to the peril point amendment and the addition of the escape clause will make the bill before us, H. R. 1612, a composite measure for which I can vote on final passage.

Incidentally, Mr. Chairman, throughout this debate, the proponents as well as the opponents of the extension of these agreements, have stressed the fact that the escape clause had been invoked in only one instance. I also point to that single instance with some pride because the Presidential proclamation just before the last elections withdrawing as of December 1, 1950, certain United States tariff concessions on women's fur felt hats and hat bodies made in the general agreement on tariffs and trade concluded at Geneva in 1947, was issued in accordance with recommendations of the Tariff Commission made after an investigation. I made a personal appearance and testified at length before the Tariff Commission on May 9, 1950, for the revocation of the concession which was causing serious injury to the hat industry and the workers in Norwalk and Danbury in Connecticut and the other affected areas in Massachusetts, New York, and New Jersey.

Mr. KERSTEN of Wisconsin. Mr. Chairman, I wish to compliment my colleague, the gentleman from Wisconsin, for the excellent amendment he has offered and state that I wish that the Democratic leadership had not made a point of order against the amendment as originally offered so as to make it apply to existing trade agreements.

I am in favor of sound reciprocal trade agreements with peace-loving nations. But I am not in favor of giving any trade concession, directly or indirectly, to a nation that is seeking to destroy us. Russia is in reality conducting a war against us. She is doing it of course, by means of indirection, primarily through her satellites. Trade advantages indirectly given to Russia or its satellites is a grave injustice to American boys who are called upon to fight Russian satellites in Korea.

I wonder if the technical gentlemen on the other side of the aisle who will not disturb present agreements benefiting Russia know how much Russia has benefited thereby so as to enable her to be in a position described in the following AP dispatch under today's dateline out of New York:

SOVIET JETS OUTPUT SEEN AT 400 MONTHLY SOON

NEW YORK, February 7.—Russia is expanding production of her MIG-15 jet fighter planes and, according to Swedish sources, expects to be producing 400 a month in the next few months, the magazine Aviation Age said today.

It said American production of planes of all types does not exceed 250 a month.

The magazine said MIG-15, which has been in action over Korea, has speeds up to 660 miles an hour.

Mr. TOLLEFSON. Mr. Chairman, I have supported the principles and the theory of the Reciprocal Trade legislation, and I shall today vote for the pending measure because I believe in the principles involved. As I have stated before, however, I do find considerable fault with the manner in which the legislation has heretofore been administered. For that reason I have supported the so-called peril-point and escape clause amendments. I shall also support the so-called iron-curtain amendment. I take this time to call to the attention of the Members some factual information with respect to the fur farming industry and to the effects upon it by imports of foreign furs. In the year 1939 there were approximately 3,000 silver fox farms scattered throughout the United States. Some 200 of them were located in the State of Washington. I regret to say that there are less than 400 of these farms left in business in the United States today. Whereas, these fur farms have produced 350,000 silver fox pelts, the estimated production for 1951 is less than 25,000 pelts.

Mink farming did not reach a point of importance until the late thirties and showed a steady growth until 1948 when there were 6,061 mink farms. Today there are a little over 5,000 mink farms, a decrease in two years time of approximately 1,000 farms.

During the year 1950 imports of silver-fox furs totaled 44 percent of the domestic production. During the same year imports of mink furs totaled 69 percent of the domestic mink-pelt production. How much longer the remaining mink farms can stay in business against this foreign competition is a matter of your personal conjecture. The foreign pelts are, of course, produced at a much lower cost with cheaper labor. In many instances, and I refer to Russian imports particularly, the fur pelts are produced by slave labor or forced labor. Obviously, they can and do undersell our domestic product. As a matter of fact, Russian furs today dominate our domestic fur market. In that connection may I say that during the last 5 years we have imported over a quarter billion dollars' worth of furs from communist-dominated countries, over \$190,000,000 of which come directly from Russia.

I am not certain just what effect the amendment offered by the gentleman from Wisconsin [Mr. BYRNES] will have upon these imports of Russian furs. Be that as it may, I want the Members to know that imports of certain foreign products can and do injure domestic industries. It is my belief that the Secretary of Commerce should forbid the importation of Russian-produced furs just as he has now prohibited the importation of Russian canned crab, on the grounds that the fur pelts, like the crab, are produced by slave or forced labor. I hope the House will approve the so-called iron-curtain amendment. If, as it is presently worded, it does not relieve the existing situation, then, perhaps the amendment may be reworded

in the other body where the rule of germaneness is not as strictly applied as it is in the House.

Mr. SHORT. Mr. Chairman, it would be much easier and more pleasant for me to sit still and be quiet. But, who can remain silent when a measure of such vital importance to every family and individual in America is before us?

Always I have thought that anything that is fundamentally wrong and basically unsound cannot be justified by all the camouflage and sophistry which clever and ingenious men might employ.

Never have I voted for these reciprocal trade treaties and never shall I vote for them because Congress supinely and abjectly surrendered its prerogatives and delegated its powers to one branch of the executive department.

Instead of our foreign trade being controlled by an independent, unbiased, bipartisan agency, whose sole function is to study it and whose decisions are based upon factual evidence, it has maneuvered, manipulated, and concocted by long-haired men and short-haired women in the State Department who are largely, if not wholly incompetent and unfitted to pass upon such matters.

These treaties are surrounded by an aura of mystery, conducted in secrecy without the duly elected representatives of the people, the Members of Congress, or the representatives of American business, labor, or agriculture, being given an opportunity to be heard. Such star-chamber proceedings are repugnant to free men and violate every tradition of the American people and the lovers of liberty everywhere.

Representatives of foreign governments and of foreign industry are granted admission to the hearings on these negotiated treaties, but all Americans are barred. There is nothing reciprocal about them because it is all give and no take so far as we in this country are concerned.

Mr. Chairman, there are other countries much larger than the United States in both area and in population. There are civilizations older, with vaster natural resources. Yet the incontestable fact is, that we have grown in the past 160 years to be the greatest and most powerful Nation on earth. Perhaps the chief reason for our industrial might and productive capacity is that we had a high protective tariff to protect our infant industries, which have made us the marvel of our age. I know that we are now grown up; that our industries are not any longer infant, and that we must have an active flow of commerce between the different nations. It is both interesting and significant to note that the father of reciprocity was the former outstanding chairman of the Ways and Means Committee of this House, a good Governor of Ohio, and the great and beloved President of the United States of America—martyred William McKinley.

Naturally, other countries must sell to us if they can buy from us, but we have an American standard of living to preserve and I still prefer to help my

next door neighbor in Missouri or in anyone of our 48 great States than to help anybody in a foreign land—whether he be prince or pauper—from English aristocracy, French royalist, German junker, to the coolie in China, the peon in Mexico or the hottentot from Zanzibar to Zamboanga.

Mr. Chairman, the gentleman from Louisiana [Mr. Boggs] and other Members on the Democratic side have pointed out the undeniable fact that today we have high employment with the highest wages ever before in our history. This cannot be disputed but what kind of prosperity is it that we are enjoying? Is it natural, normal, sound, and permanent? Or is it artificial, unnatural, unsound, temporary, and synthetic? Sir, I declare that it is a false prosperity, built upon war and the spilling of American blood. This blood money I do not wish.

Every intelligent and well-informed person knows that the New Deal from its inception in 1933 to Pearl Harbor in 1941 doubled our national debt, increasing it from \$32,000,000,000 to \$66,000,000,000 on boondoggling, pump-priming, leaf-raking, silly, assinine projects. In spite of the vast expenditures during the 1930's, in spite of the increased taxes and the mounting debt, we still had 8,000,000 people in this country unemployed at the time of Pearl Harbor. It took World War II to put our people in the Army and in our munition factories, to reduce unemployment, and lull our people to sleep in a blissful state of a false and damnable prosperity.

Mr. Chairman, every State in our Union and every section of our population is vitally affected by this legislation. Potatoes grown in Canada are brought into this country with a tariff of 25 cents on the hundred pounds. Potatoes grown in the United States, in Aroostook County, Maine, across an imaginary border, in Long Island, in Idaho, and even in Missouri, as well as many other States, when shipped to Canada, have a tariff of 75 cents on the hundred pounds. Of course, the Canadians have a three-to-one advantage over us on this one item.

Sir, we grow many apples down in my district, and the greatest and best apple grower is Stark Bros. Nurseries in Louisiana, Mo. It just happens that Lloyd Stark, a great and patriotic American, is a former Democrat Governor of Missouri, and he sells not only his apples but his apple trees all over the Nation. When we ship apples to Canada we pay a great duty, but when people in Canada ship us apples they pay about one-third the duty. Of course, that must help Lloyd Stark and all the other apple growers in our country. It does not help those in my district; and I want you to know, Mr. Chairman, that even though we are "apple knockers," we still insist upon our rights and do not want to be pushed out of business. We are at the lowest ebb now.

Hats and gloves from Italy, all kinds of leatherware from Austria, and Czechoslovakia enter the American market in competition with our own workers in

those industries. This is the reason that our industries in Gloversville and Amsterdam in New York have suffered and it is the reason that St. Louis, the shoe capital of the world, not excepting Brockton, Mass., and the many little shoe factories in my own district at West Plains, Marionville, Aurora, Sarcoux, Monett, and other towns have felt the pinch because of cheaply made shoes in Czechoslovakia, and these countries behind the iron curtain where labor is employed at exceedingly low wages. Much of the labor is slave labor performed by conquered peoples and by political prisoners. Sir, we cannot compete with this cheap foreign slave labor in any of our industries without lowering our American standard of living. Even a moron should be able to see this. Evidently, some Members of Congress cannot.

There are millions of acres of forest lands in Siberia that have not yet heard the sound of a woodsman's ax. Does any Member on this floor from the great Northwest, whether from Washington, Oregon, or from the deep South in Alabama, dare tell us that we can compete in this country with the slave labor of Soviet Russia? Of course not.

Mr. Chairman, the glassware, pottery, and ceramics business in West Virginia, Ohio, and other spots in our Nation have felt the terrific impact of the imports of these cheap products from abroad. Before the present chaos in Asia, millions of pounds of dried eggs from Red China were imported into this country in direct competition with the poultry farmers of my own congressional district. Oh yes, we not only grow chickens and produce eggs in the Ozarks but in the tri-State area—Missouri, Kansas, and Oklahoma—we produce lead and zinc; in Arizona, Utah, and Montana, which produce copper, and our mining industry in every section of this country has suffered terribly in competition with the importation of ores and minerals produced by cheap and slave labor abroad.

Sir, I could continue the list, but time will not permit. However, I do want to refer to one other industry—the watch and jewel movement industry in this country that has not only suffered but has been almost annihilated. Everyone here knows that Waltham Watch Co., in Massachusetts, has been closed; that Hamilton and Elgin have suffered because of the importation of these items from abroad, particularly from Switzerland. Many people have lost their jobs.

Mr. Chairman, as the ranking Republican member on the Armed Services Committee, I am particularly concerned with our national defense. I do not want to have to depend upon any foreign source for these highly developed technical precision instruments in time of war. If Russia could overrun all of Europe—as practically everyone agrees, how could we depend upon Switzerland or any other country to furnish us the materials needed? Do not forget, sir, that in World War II, 54 of our 59 tankers carrying oil from Venezuela, Aruba, and Curacao were sunk by Nazi submarines off the Atlantic coast.

Since I have mentioned oil, it may be pertinent and not completely out of order, to mention that we have increased by exploration in this country, our oil productive capacity. We cannot rest assured that we can depend upon the vast, rich oil fields in the Near East, in South America, and Mexico, or anywhere else in the world should we become engaged in a global conflict. Oil, like rubber and steel, is the lifeblood of our Nation in both peace and war because America is a nation on wheels.

Mr. Chairman, I appreciate the indulgence of the Committee, and I shall not trespass further upon its patience and strength, but I do hope that today, and I fervently expect this House of Representatives of the American people to stand up and be counted. We shall not abdicate our powers, turn over our prerogatives, but shall return and hold fast to the trust that has been placed in us.

I shall vote for all the amendments that have been offered here. I shall vote to recommit the bill and in my opinion it is a measure that needs—not a doctor, but an undertaker. It was enacted to bring about world peace. It gave us the greatest war in our history and threatens in a clever and subtle manner to wreck the foundations upon which this Republic rests. I hope, sir, that my position on this particular measure is clear to everyone who can read—but unfortunately and tragically many men who can read do not understand.

Mr. SMITH of Wisconsin. Mr. Chairman, the measure before us seeks to extend the authority of the President for 3 years to enter into foreign trade agreements. It is popularly known as the Reciprocal Trade Agreements Act. For 5 years, I have been attempting to find the reciprocity features in the act. So far, I have been able to find that it is chiefly a one-way street with most of the reciprocity on the part of good old Uncle Sam. Actually under its operation we trade a horse and get a hare in return.

The Democratic administration, which has sponsored the program since 1933, under Cordell Hull, as Secretary of State, has been compounding a felony against the American workingman and his standard of living. The fancy language that is used to describe the benefits of the program is political trickery and the American people are not being fooled. The union factory worker, who has lost his job because of unfair competition from abroad is now aware of the great danger to him and his family if this bill is finally approved. I am for a true program of reciprocity but on an equal basis and after full public hearings. I am absolutely against the measure before us because there are no public hearings and because it gives to the State Department, through the President the right to bargain away the rights and protection of the American workingman in those industries affected in the agreements. The present bill is anti-American and I repeat I am against it in its present form.

Mr. Chairman, extended hearings before the House Committee on Education

and Labor were held last year on the question of the effect of foreign imports on employment. Some 14 A. F. of L. and CIO union representatives appeared and testified and all to the same effect that foreign imports are seriously affecting employment in their respective industries.

As a fair example of the testimony given before the House committee, one Rudolph Heintz, Chicago, Ill., representing the United Wall Paper Craftsmen and Workers of North America, A. F. of L. said and I quote:

A survey of imports of wallpaper into the United States between 1937 and 1948 shows that such imports from Canada have increased 24.2 times and 2.5 times from England in that period. A survey conducted in 1923 by the United States Tariff Commission revealed that print rollers produced in foreign countries were entering this country at a declared value of \$9.68 per roller while the over-all cost of the same American-made unit was \$34.73; as a result, employment in the industry suffered seriously and finally reached a point where skilled workmen—who had spent 3 to 5 years learning their trade—were forced to try to earn a living by making rollers in their homes because the United States mills were forced to close because they could not compete with the imported product.

Thus it is apparent, Mr. Chairman, that this reciprocal trade program is one that is today threatening the standard of living of the American workers. It is time that we take protective action to make sure that American workers and their families are protected against unemployment and that the investments made by American business people are not undermined and destroyed by unfair competition from abroad as now exists under the Democratic reciprocal trade program.

Mr. COLE of New York. Mr. Chairman, in reaching a decision on the question of extending the authority to enter into reciprocal-trade treaties with foreign countries, the House today is faced with a decision on a more fundamental problem of the kind which has troubled legislators from time immemorial. The basic question is whether we as legislators should support a bill the letter, purpose, and spirit of which are entirely proper and purposeful, knowing, at the same time, that the administration of that act will be faulty and irresponsible. Such is the predicament in which I find myself in reaching a decision on this question, which is of such vital importance to American industry and the American workingmen.

It must be remembered that this is not the first occasion when an extension of the Reciprocal Trade Treaty authority has been sought and granted by the Congress. The original authority to make these trade treaties was enacted by the Congress some 16 years ago for 3 years' time. At the termination of that period the Congress has granted additional extensions for periods of varying lengths of time. The proposal before us today is to extend the authority for another 3 years. Therefore, we have had the law in operation for approximately 15 years, and something of the nature of its administration is known to us.

The principle of trade reciprocity is thoroughly sound. It was first put into operation by the Republicans over 50 years ago. The trouble with trade reciprocity as it has been experienced under the Democratic administration is that these agreements have not been truly reciprocal. They have been of greater benefit to the foreign countries than they have to the United States. To express it differently, they have been more harmful to the United States and many of its specialized industries and workers than they have been helpful to the country generally. To be truly reciprocal, these agreements must be mutually advantageous, mutually helpful to each of the parties to the agreement. Trade reciprocity is a two-way street, advantages flowing out to a foreign country and into this country. The trouble has been that in administering these agreements in the past they have not been reciprocal; they have not been mutually helpful to this country as well as foreign countries.

I have come to the conclusion that I shall support the proposal to extend the Reciprocal Trade Authority for another 3 years, in spite of the fact that experience has shown to us a lack of proper administration of the law, for the reason that I am hopeful that through some change in personnel in the State Department, and of individuals who have the responsibility of carrying out the purposes of this law, or that there will be a change in heart and attitude of those people. In other words, I have concluded it is better to have a good law, even though poorly administered, than to have no law at all. If we have no law, the best of available competent administrators would be helpless in the absence of statutory authority; with a good law on the statute books, even though temporarily administered by incompetent or irresponsible people, there is always the hope and the opportunity and the outside chance that a change in the personnel will occur and an improvement made in the individuals who are to administer the law.

I realize that in the administration of this act substantial harm has been done to some of the industries in my own Congressional District, notably the glass and salt industries. These instances represent some of the evils in the administration of the law to which I made reference a moment ago. Undoubtedly there have been some advantages gained to American industry and workingmen through the administration of these treaties; it is not all bad.

I have reached this conclusion with no great amount of enthusiasm. It has been with reluctance that I have come to this decision. However, I do feel that in the national interest in the long run it is the proper course for us to take. In making this decision, I have elected to take the lesser of two evils.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin.

The amendment was agreed to.

(Mr. WOODRUFF asked and was given permission to extend his remarks at this point in the Record.)

Mr. WOODRUFF. Mr. Chairman, the Trade Agreements Act of 1934, as amended, authorizes the President to enter into trade agreements with foreign governments whenever he finds the fact that existing duties or other import restrictions of the United States or of any foreign country are unduly burdening and restricting the foreign trade of the United States and to make such changes in duty rates and other import restrictions contained in the general tariff laws as are required to carry out such agreements.

The Trade Agreements Act of 1934 was originally made effective for a period of 3 years but has been extended by the Congress in 1937, 1940, 1943, 1945, by the Republican Eightieth Congress in 1948, and in 1949.

The Trade Agreements Extension Act of 1948 extended the program until June 30, 1949, and instituted the following procedural changes:

(a) The President was required to submit the list of articles to be negotiated to the Tariff Commission.

(b) The Tariff Commission was directed to make the so-called peril-point report within 120 days to the President. This report was supposed to contain the findings of the Commission as to the limit the President might lower or raise duties without causing or threatening serious injury to the domestic industry producing like or similar articles.

(c) The Tariff Commission was to continue to furnish factual information to the negotiating committees, but members of the Tariff Commission could not sit as members of the CRI—Committee for Reciprocity Information—or the Trade Agreements Committee.

(d) If the President exceeded the factual findings of the Commission contained in the peril-point report, he had to advise the Congress within 30 days after any trade agreement had been entered into and had to identify the article to which the limits or minimum requirements had not been complied with, stating his reasons for the action taken with respect to such items.

(e) The Tariff Commission was directed to furnish the Ways and Means Committee and the Finance Committee of the Senate with a copy of its peril-point report to the President if the President exceeded the peril points.

The Eighty-first Congress repealed the Trade Agreements Extension Act of 1948 and extended for 3 years from June 12, 1948 the period during which the President was authorized to enter into new foreign-trade agreements. The net effect, therefore, of the enactment of the extension made by the Eighty-first Congress was to extend the original Trade Agreements Act of 1934, as amended, until June 12, 1951 in the form in which it was effective immediately prior to the Republican Trade Agreements Extension Act of 1948.

The only limitation under the President's authority is that he may not increase or decrease by more than 50 percent any rate of duty existing on January 1, 1945 and he may not transfer articles between the free list and the dutiable list. When the President changes the

duty rates for particular articles under the trade agreements program, the new rates become applicable to such articles imported from any country and regardless of whether such country is a party to the agreement.

In considering whether the Congress should again delegate to the President for another 3-year period the responsibility of making new trade agreements, it should be recognized that this program is now being administered by the State Department and for the State Department. In my opinion, the original intent of the Congress in delegating this authority to the President, has been completely misinterpreted by the State Department, and, pending an opportunity by the Congress to reexamine the entire program, no further extension should be made.

If, on the other hand, this legislation is passed by the House then most certainly Congress should enact certain safeguards for its administration. The testimony before the Ways and Means Committee showed that, unless some safeguards were imposed by the Congress, many more segments of our economy would be seriously injured as the result of improvident tariff cuts and concessions made by the State Department. Undoubtedly, had not the present emergency intervened, the influx of imports resulting from this program would have caused wide-spread unemployment throughout the country and at the very moment when world conditions become stabilized again we will see a recurrence of the unfortunate effect of the hit-or-miss basis on which the State Department has administered this program.

In general, there are at least two steps which should be taken by the Congress in restricting the unbridled authority of the State Department in cutting tariffs and making other concessions. The first step is the reenactment of the peril-point report. The facts now show that the arguments spread in this connection by the State Department were without any foundation and that the procedural machinery involved in the preparation of the peril-point report worked entirely satisfactorily for the negotiations in Annecy, France, in the summer of 1949. As has been pointed out during the debate on H. R. 1612, the Republican amendment for the reenactment of the peril-point report makes a significant change in the procedure adopted in the Trade Agreement Extension Act of 1948. This change is the elimination of the requirement that the Tariff Commission must furnish its full report to the Ways and Means Committee and the Senate Finance Committee. To accommodate those who objected to this part of the peril-point procedure, we have limited the information to be supplied by the Tariff Commission to the Congress to only that portion of its report which deals with the items on which the President has reduced tariffs and made other concessions below the point which the report indicated would seriously injure domestic producers.

Thus modified, the only basic issue arising from the peril-point procedure is whether the State Department should

have the benefit for its guidance of a peril-point report of the bi-partisan expert Tariff Commission which we recommend or whether the State Department should conduct this program on only a calculated-risk basis without adequate safeguards.

Of course, Mr. Chairman, in view of the fact that Secretary Acheson stated in public hearings that no new trade agreements were contemplated during the next 3-year period, it is manifest that the adoption of the peril-point procedure will not undo the damage already done. In fact, even if the State Department contemplated making new agreements, the peril-point report will not protect the country from rash tariff cuts, because in the final analysis the only penalty imposed by the peril-point report is that the President must notify the Congress of the action he has taken.

It seems to me, therefore, that the most important step to be taken at this time is to improve the escape-clause procedure. The authority of the President to enter trade agreements was delegated to him by the Congress in the 1934 amendment to the Tariff Act of 1930. The 1934 amendment did not, however, itself provide any avenue for escape from serious injury, but almost all trade agreements now contain a so-called escape clause designed to prevent serious injury, or the threat of it, to domestic producers and their workers. The language of the escape clause is as follows:

If, as a result of unforeseen developments and of the effect of the obligations incurred by a contracting party under this agreement, including tariff concessions, any product is being imported into the territory of that contracting party in such relatively increased quantities and under such conditions as to cause or threaten serious injury to the domestic industry in that territory of like or directly competitive products, the contracting party shall be free, in respect of such product, and to the extent and for such time as may be necessary to prevent or remedy such injury, to suspend the obligation in whole or in part or to withdraw or modify the concession.

The President has directed that all trade agreements negotiated in the future contain an escape clause, and it will be recalled that, following the Republican recommendation, the State Department finally has undertaken to have the clause inserted in the Swiss agreement.

The great difficulty with the escape clause is that, due to the ambiguity of the language and lack of any standards established by the Congress for the President's guidance in determining when relief should be granted, the escape clause is a wholly inadequate relief provision. This is illustrated by the fact that in all the applications for relief only one has been granted. Moreover, of the 15 cases under the escape clauses which have been disposed of, 13 were dismissed without even a formal investigation or a public hearing. The domestic industries, which believe they had been seriously injured, were given virtually no explanation as to why their applications were dismissed. It is clear, in my opinion, that the Congress should, therefore, do everything in its power to remedy this situation. Good wages and full employ-

ment are the foundation of a strong economy, and every producer should have a fair opportunity to show that serious injury is being done as the result of imports from countries where workers are paid much less than our own workers producing comparable goods in this country.

The Republican minority will offer an amendment designed to make the escape clause an effective relief provision where it can be shown that serious injury or the threat of it to a domestic industry has occurred. Rather than attempt to have a new escape clause inserted in the agreements, the Republican amendment will establish a few simple principles or guideposts to assist the President—or the agency to which he delegates the responsibility for administering the escape clause—in interpreting the term "serious injury to a domestic industry." The amendment will also provide a clarification of the terms "domestic industry" and "like or directly competitive"—two ambiguous and troublesome terms.

If the Republican amendment for improving the effectiveness of the escape clause is adopted, I believe that a vast improvement in this whole program will be made. At the first opportunity, however, consideration should be given to the problem of rewriting the escape clause itself and inserting this new escape clause into all agreements.

And finally, Mr. Chairman, I wish to point out that, in my opinion, the 3-year extension provided for in H. R. 1612, is too long a period before the State Department should be required by the Congress to give an accounting of its stewardship of this program. The effect of this legislation is to delegate to the executive branch of the Government one of the most fundamental responsibilities of the Congress under the Constitution and the Congress should be required to examine the administration of this program at least every 2 years.

Mr. CURTIS of Nebraska. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CURTIS of Nebraska: Page 1, after line 9, insert the following:

"SEC. 3. The act entitled 'An act to amend the Tariff Act of 1930,' approved June 12, 1934, is hereby amended by adding after section 4 the following new subsection:

"SEC. 5. (a) If as the result of unforeseen developments and of the effect of any obligation (including any tariff concession) incurred by the United States under a foreign trade agreement entered into under section 350 of the Tariff Act of 1930 any article is imported into the United States in such relatively increased quantities and under such conditions as to cause or threaten serious injury to the domestic industry in the United States of like or directly competitive products, the President shall suspend the obligation in whole or in part or withdraw or modify the concession to the extent and for such time as he deems necessary to prevent or remedy such injury: *Provided*, That such action shall be taken only with respect to an article or articles provided for in the General Agreements on Tariffs and Trade or in any other trade agreement which contains a provision similar to article XIX of the General Agreements on Tariffs and Trade.

"(b) Serious injury to a domestic industry shall be presumed to have been caused

or to be threatened as the result of unforeseen developments and of the effect of any obligation (including tariff concessions) incurred under a foreign trade agreement if—

"(1) The ratio of imports of the imported article or articles to the production of the like or directly competitive domestic article or articles has increased within a period during the past 12 months over a corresponding period in the preceding 12-month period; and

"(2) The President finds that either employment, wages, sales, prices, or profits have declined with respect to an important segment of the domestic industry.

"(c) For purposes of this act—

"(1) The term "domestic industry" means that the like or directly competitive article or articles constitute the principal product of one or more domestic producers of a relatively important product of two or more domestic producers.

"(2) The term "like or directly competitive" means an imported article which is used for substantially the same purpose as the domestic article or tends to displace the domestic article in United States markets.

"(d) When directed to do so by resolution of either House of Congress or upon application of a party or parties having a substantial interest, the President shall immediately institute an investigation to determine whether action should be taken under subsection (a) of this section. If after such investigation the President determines no action should be taken under subsection (a), he shall, within 90 days from the date the investigation was instituted, issue a report setting forth the reason for such finding."

Mr. CURTIS of Nebraska. Mr. Chairman, this amendment is what is commonly known as the escape clause and it is not in conflict in any way with the amendment previously adopted known as the peril-point amendment. As the gentleman from Texas so well pointed out, the peril-point amendment involves a procedure to be followed before a trade agreement is entered into. The escape clause amendment is an attempt to bring remedy for injury that might occur after a trade agreement has been entered into.

The trade agreements originally negotiated with foreign countries were binding for 3 years certain and continuing until one nation or the other brought it to an end. Then this problem arose: Suppose after a trade agreement is entered into a situation arises where an industry or a segment of our economy or a group of our workers are injured, what then? The State Department has put into the trade agreements an escape clause. They have opened up some of the early trade agreements and inserted an escape clause in those agreements. The first section of this amendment incorporates the language of the escape clause in the existing trade agreements, including the general agreement on tariffs and trade. We were confronted with this further problem, however, of certain definitions and standards in order that that escape clause might have real meaning. It uses the term "serious injury to domestic industry." That creates a possibility for disagreement, so we in this amendment provide that serious injury to a domestic industry shall be presumed to have been caused or threatened as a result of unforeseen developments and of the effect of any obligation incurred under a foreign trade agreement; if the ratio of imports of

the imported article or articles to the production of like or directly competitive articles has increased within a period of 12 months, and that the President finds that either employment, wages, sales, prices, or profits have declined with respect to an important segment of our domestic economy. Now, certainly there can be no objection to putting into the act the identical escape clause the State Department has already inserted in all of our major agreements, and certainly this Congress has a right and the duty to define what we mean by "serious injury to domestic industry." We do that here. We also define what we mean by a domestic industry. If one town has one plant that is injured or may be put clear out of business, is that an industry? We provide the answer. The term "domestic industry" means that like or directly competitive article or articles constitute the principal product of one or more producers or a relatively important product of two or more producers. The purpose of this amendment is to vitalize the escape clause that is already in the trade agreements.

Now this escape clause in the trade agreements also uses the term "like or directly competitive." This is subject to various interpretations. So this Congress, the group that is charged with fixing duties and tariffs, lays down a rule as to what we mean by "like or directly competitive." It means an imported article which is used for substantially the same purpose as the domestic article.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. CURTIS of Nebraska. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. CURTIS of Nebraska. A like or directly competitive article is one that is used for substantially the same purpose as the domestic article or tends to displace the domestic article in the United States markets. Now that makes it clear. It means that if a product does displace an American product, it is directly competitive.

Some 20 or so cases have been heard in reference to granting relief through the escape clause. Relief has been granted in only one case. A number of these cases were presented and argued, and briefs were filed, and then nothing happened; no answer was given. It should not be that way. The people of this country, if they feel that they are injured should have a place where they can present their case and they should get an answer. So the last section of this amendment provides:

When directed to do so by resolution of either House of Congress or upon application of a party or parties having a substantial interest, the President shall immediately institute an investigation to determine whether action should be taken under subsection (a) of this section.

In other words, either House by resolution pertaining, could require the President to investigate an article and see whether or not the concessions made

in reference to the article involved should be withdrawn. Keep in mind the foreign country has already agreed that we have the right to withdraw.

This last section further provides that after an investigation is held to determine whether or not there is an injury, the President, if he takes no action, shall within 90 days from the date the investigation was instituted issue a report setting forth the reason for such finding. That is all.

Someone has said, "How can you compel escape?" An interested party cannot. But the fact that the clause is in the agreement means that so far as the foreign nation is concerned we as a Nation have the right to escape from the consequences of a particular concession if we can prove that we are injured. This amendment incorporates that language into the statute. It sets up four definitions, and it provides that the President, when the Congress or an interested party demands it, shall immediately investigate, and that he shall give an answer.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Nebraska. I yield to the gentleman from Arkansas.

Mr. MILLS. Does not the gentleman's amendment go beyond his description of it? Is it not a fact that under the gentleman's amendment, whether there is an injury or not, just a mere decline of some sort, a mere increase in imports of some sort, is sufficient to justify the invocation of this escape clause?

Mr. CURTIS of Nebraska. I think not.

Mr. MILLS. The gentleman says it is presumed.

Mr. CURTIS of Nebraska. The intention here is that that shall be a presumption of injury. It is not a presumption that cannot be overcome by the evidence. We have this very real problem. The people go before these existing committees and point out that they have been injured, that their production is falling off, their inventories are piling up, that they are hurt, that the market is slipping away. At the present time those who hear them can say, "Yes, that is true. You are injured, but there are a lot of other factors that may be involved here and it may not be the result of the agreement." So they grant no relief.

This amendment says that if the ratio of imports and imported articles to the production of like domestic articles has increased and employment, wages, sales, prices or profits have fallen off, that there is presumption that they have been injured by the trade agreement. It is not a direction that they must give relief, it merely shifts the burden of proof and gives the citizen a fair chance.

Mr. EBERHARTER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. EBERHARTER. Mr. Chairman, this amendment is a very clear illustration of the very grave danger which is inherent in the adoption of amendments on the floor of the House without due consideration and discussion, and consultation, and without sufficient debate.

Mr. CURTIS of Nebraska. Mr. Chairman, if the gentleman will yield, this amendment was offered in committee.

Mr. EBERHARTER. I cannot yield to the gentleman. I made the statement on which I stand. I hope the gentleman will permit me to continue. I will be glad to yield to the gentleman if I have the time. I would like to express some of my thoughts before the committee.

The gentleman calls his amendment an extension of the principle of the escape clause. The escape clause is very popular both among the Republicans and among a great proportion of the Democrats. The membership knows that the escape clause has been put in every trade agreement which has been entered into since 1943 and under it we have operated fairly successfully. The gentleman's amendment goes very much further than the present escape clause. It is one of the most restrictive amendments that could possibly be drawn. It is one of those amendments, if you actually study it, you will see is ridiculous and its very absurdity makes it impracticable in application. In fact, if this amendment were enacted into law, I am certain the law would be absolutely nullified. I mean that in all sincerity and ask both sides of the aisle to consider it well. The gentleman's amendment applies to wages; it applies to sales; it applies to prices and to profits; the four basic fundamentals of industry. If any industry suffers a decline in wages or if there has been a small increase, even to the extent of one-fifth of 1 percent in imports, then this amendment is effective and that trade agreement cannot continue in operation. That is what this amendment does.

Mr. CURTIS of Nebraska. Mr. Chairman, if the gentleman will yield, the gentleman is not stating the situation correctly.

Mr. EBERHARTER. Mr. Chairman, I decline to yield.

Mr. Chairman, the same thing applies to sales. If the sales of any particular major company in the country manufacturing a large proportion of a particular item decrease in any given period of a year, and the proportion of imports is increased, then the trade agreement previously entered into practically becomes null and void. The same thing is true of prices. Suppose for some reason or other, through the adoption of better production methods, the price of a certain item is reduced to some extent. At the same time, by some coincidence, there is a greater import into this country of that particular item. Then the agreement heretofore entered into would be subject to being called null and void.

The same thing applies as to profits. So that I am certain if the members of the committee on the Republican side have an opportunity to study this amendment they would not support it themselves.

Let me give you an instance. Here is a concrete example of what would have happened. In 1946 and 1947 the imports of electric ranges increased from \$1,416 in 1946 to \$31,098 in 1947. At the same time, according to the Bureau of Labor Statistics, employment declined by almost 2,700 workers. That brings into effect the amendment offered by the gentleman from Nebraska [Mr. CURTIS]. However, domestic production increased from \$51,000,000 in 1946 to \$131,235,000 in 1947. That is an increase of three times the production of electric ranges in this country. Despite that increase, the ratio of imports to production did increase in a greater ratio, and therefore the President would have been required to withdraw the concession. I am sure that the Members on the majority side do not approve of any such provision in this act.

Mr. CURTIS of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. No. I do not yield at this time.

Here is another example as far as the automobile industry is concerned: The imports of automobiles increased from 1947 to 1948 from 2,000 to 29,000. That seems like a very large percentage of increase. At the same time there was a decline of 40,000 in employment in the automobile industry. This decline was due to a strike at the Chrysler plant. Domestic production increased from 3,500,000 to 3,900,000 automobiles, but because of the formula which the gentleman's amendment sets forth, the President would have been required to withdraw the small tariff concession on automobiles and parts.

Mr. Chairman, I am certain this Committee does not want to adopt any such drastic proposal. If these examples are not sufficiently convincing, I submit we might as well not have any reciprocal trade-agreement program whatsoever. We might as well recommit the bill if this amendment is adopted. It is unworkable. It would apply to any company that manufactures the larger proportion—not a majority proportion—of a particular article. Suppose one company had almost a monopoly, suppose it manufactured 40 percent of a certain item. Suddenly there became a great deal of competition in this country from other domestic companies, and they would be compelled to reduce their prices, and then there would be a slight increase, two-tenths of 1 percent, in imports, the President would be required to abrogate the trade treaties with respect to that particular industry, affecting all competition, affecting agreements in every respect whatsoever.

Mr. Chairman, I believe this amendment was not really discussed and considered in the committee—I will say that it was not discussed, according to my recollection—I doubt if other members on the committee knew what this amendment provided. I submit if they knew it, they would not have supported it, and I hope the gentleman from Nebraska will see fit to withdraw the amendment. I now yield to the gentleman from Nebraska to give him an op-

portunity to withdraw the amendment and study it a little further.

Mr. CURTIS of Nebraska. There is not anything the gentleman from Pennsylvania has said about the amendment that is supported by the facts or the language of the amendment, and I have no intention of withdrawing it. The gentleman knows it.

Mr. EBERHARTER. I may say to the gentleman that my facts and figures were obtained, as I now so state to the committee membership here and to the chairman, from the Tariff Commission. I am willing to submit my contention to the Tariff Commission that under the language as drawn by the amendment submitted by the gentleman the result will be as I have stated.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from Arkansas.

Mr. MILLS. Is not the gentleman from Pennsylvania making the point that the amendment offered by the gentleman from Nebraska does not do what the gentleman from Nebraska intends it to do, but goes far beyond what he says now he wants to do?

Mr. EBERHARTER. There is no question about that.

Mr. Chairman, I trust the amendment will be defeated.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I move to strike out the last word and rise in support of the amendment.

Mr. Chairman, this question of an escape clause is vitally important for the protection of American industry. We have an escape clause in the agreements today, but unfortunately the agreement does not provide the escape which industry needs. There have been, I believe, about 20 applications for relief under the escape clause, but of the 20 only 1 has been acted on favorably; 8 or 9 have been summarily dismissed. There was no opportunity whatever for the complainant to appear and register his objection nor was any reason given on the part of the administration as to why the summary dismissal was ordered, yet that is the fact. There are several still under advisement, and we know that something must be done to protect those industries that have been damaged.

Mr. CURTIS of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield.

Mr. CURTIS of Nebraska. The gentleman from Pennsylvania [Mr. EBERHARTER] has a most inaccurate understanding of what this amendment does. If an industry makes its showing, it is still entirely discretionary with the President of the United States to do what he pleases.

Mr. SIMPSON of Pennsylvania. Certainly.

Mr. CURTIS of Nebraska. If he chooses to act, he does not nullify the entire agreement as alleged by the gentleman from Pennsylvania [Mr. EBERHARTER]; he does not junk the trade agreement; he merely withdraws the concession as to a particular article in question.

There is nothing in this amendment that would force the hand of the President or force the President to nullify any trade agreement; it is still discretionary with the President. The only mandatory thing is that he must hold the investigation, and then we provide that within 90 days he must give us an answer, but it is his answer.

Mr. SIMPSON of Pennsylvania. That is right. He is under no compulsion whatever. He simply listens to the people. He is bound by certain limitations and if he finds that a company makes a proper case then he would give relief which he does not do now.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield.

Mr. EBERHARTER. The gentleman from Nebraska mentioned my name. I wish to read this portion of the amendment:

The President shall suspend the application in whole or in part or shall withdraw or shall modify the concession to the extent and for such time as he deems necessary.

The word "shall," I submit, is a requirement, and I object to the word "shall."

Mr. SIMPSON of Pennsylvania. I wish the word "shall" were in the law today; I want it in now.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield.

Mr. MILLS. The gentleman from Pennsylvania referred to these 20 appeals for relief under the escape clause, stating that relief had been granted in only one case. To what agency of Government were those appeals directed?

Mr. SIMPSON of Pennsylvania. They are directed to the Tariff Commission, are they not?

Mr. MILLS. They are directed to the Tariff Commission, as the gentleman from Pennsylvania well knows.

Mr. SIMPSON of Pennsylvania. Let me make myself clear on that, they are directed to the Tariff Commission, and the Tariff Commission is represented on the Reciprocal Trade Policy Committee which is completely dominated by the Department of State. There is in my opinion no fair place to where a group of business men may go for relief, and that claim has been substantiated repeatedly by the fact that each of these cases is summarily dismissed.

Mr. MILLS. Before whom were these appeals heard? They were heard, were they not by the Tariff Commission, not by the Reciprocal Trade Committee or the Committee on Reciprocity Information and report is made by the Tariff Commission to the President if injury is exposed.

Mr. SIMPSON of Pennsylvania. My point is that no report was ever made. None is required and the industry was never told why the adverse action was taken and it will not be told.

Mr. MILLS. I understand 14 or 15 of them have been disposed of and one has been recommended to the President as being an injury.

Mr. SIMPSON of Pennsylvania. They were disposed of, but the industry was not told why it was not given relief.

Mr. CURTIS of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman from Nebraska.

Mr. CURTIS of Nebraska. Referring to the language that was read a moment ago, that language was read from the first section of my amendment which copies in the language of the escape clause that was put in there by the State Department. It has nothing to do with the procedural part coming thereafter. The President is still the judge, or such agency as he designates is the judge of whether or not there is injury and what, if any, remedy or escape there may be if there is injury.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. MASON. Mr. Chairman, I ask unanimous consent that the gentleman may have one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman from Illinois.

Mr. MASON. Does the gentleman not think it is revolutionary for us to require the President when he acts on something that is vital to the concern of the Nation to give his reasons for action or an explanation for his actions? Is that not revolutionary?

Mr. SIMPSON of Pennsylvania. I think the revolutionary part of this is that the Congress is perhaps going to give some relief to the businessmen.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. May I say that the examples I gave of the automobile industry and the other industries referred specifically to those words "shall suspend."

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

Mr. BAILEY. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. BAILEY as a substitute for the amendment offered by Mr. CURTIS of Nebraska: Add a new section to be known as section 3, as follows:

"Sec. 3. (a) If in the course of a trade agreement entered into by the United States under the provisions of section 350 of the Tariff Act of 1930, as amended and extended, any product on which a concession has been granted is being imported into the territory of one of the contracting parties in such relatively increased quantities or under such conditions as to cause or threaten serious injury to domestic producers in that territory of like or directly competitive products, the contracting parties shall be free, in respect of such product, and to the extent and for such time as may be necessary to prevent or remedy such injury, to suspend the concession in whole or in part, to withdraw or modify the concession or to establish import quotas.

"(b) Upon the request of the President, upon its own motion, or upon application of any interested party the United States Tariff Commission shall make an investigation to determine whether any article upon which a concession has been granted under a trade agreement to which a clause similar to that provided in subsection (a) of this section is applicable, is being imported under such relatively increased quantities or under such conditions as to cause or threaten serious injury to a domestic industry or a segment of such industry which produces a like or directly competitive article.

"In the course of any such investigation, the Tariff Commission shall hold hearings, giving reasonable public notice thereof, and shall afford reasonable opportunity for parties interested to be present, to produce evidence, and to be heard at such hearings.

"Should the Tariff Commission find, as the result of its investigation and hearings, that serious injury is being caused or threatened through the importation of the article in question, it shall recommend to the President the withdrawal or modification of the concession, its suspension in whole or in part, or the establishment of import quotas, to the extent and for such time as may be necessary to prevent or remedy such injury.

"(c) When in the judgment of the Tariff Commission no sufficient reason exists for such a recommendation to the President it shall, after due investigation and hearings, make a finding in support of its denial of the application, setting forth the facts which have led to such conclusion. This finding shall set forth the level of duty below which, in the Commission's judgment, serious injury would occur or threaten.

"In arriving at a determination in the foregoing procedure the Tariff Commission shall deem a downward trend of production, employment, and wages in the domestic industry concerned, or a decline in sales and a higher or growing inventory attributable in part to import competition, to be evidence of serious injury or a threat thereof."

Mr. MILLS. Mr. Chairman, I make the point of order against the amendment on the ground that it is not germane to the bill before the House, H. R. 1612. The amendment is retroactive in its effect as well as prospective. The bill before the House has to do with an extension of the President's authority to enter into trade agreement negotiations for a period in the future.

The CHAIRMAN. Does the gentleman from West Virginia desire to be heard on the point of order?

Mr. BAILEY. I do, Mr. Chairman.

Mr. Chairman, I have been advised from information developed in the course of the debate here today that a similar amendment to this was discussed in the Committee on Ways and Means. I assume that the outgrowth of that discussion was the amendment offered by the gentleman from Nebraska, Mr. Curtis. There was no question raised in the Committee on Ways and Means about its not being germane. I can see no reason why the amendment is not germane at this time because it has to do directly with the administration of the reciprocal trade agreements. Let me say to the Chairman that the present so-called escape clause is not a basic part of the reciprocal trade agreements. It was manufactured at the Geneva Conference and is not a part of the law. My amendment would attempt to write it into the basic law, the Reciprocal Trade Agreements Act, and not leave it as a play-

thing for the State Department. I make the point that it is germane; that it is the business of this Congress to set out the procedure, delegating such authority as it desires to the President and to the Tariff Commission, telling the industries of this country what they may do and what methods of relief and what procedures they will have to take to get relief under this clause.

I insist, Mr. Chairman, that my substitute, since it deals directly with the amendment offered by the gentleman from Nebraska, is germane, and we should have a discussion on it.

The CHAIRMAN. The Chair is ready to rule.

Of course, the distinction between the substitute amendment and the amendment offered by the gentleman from Nebraska [Mr. CURTIS] is that the amendment offered by the gentleman from Nebraska is to section 350 of the Tariff Act. The substitute offered by the gentleman from West Virginia is in effect an amendment to the bill before us now, H. R. 1612. The Chair would like to point out to the gentleman that casual examination of his amendment discloses that the effect is, among other things, retroactive, and the point of order is sustained.

Mr. BAILEY. Will the Chair bear with me further?

The CHAIRMAN. Certainly.

Mr. BAILEY. I have here an amendment to amend section 350 of the act. I suspected that the other substitute might be subject to a point of order, but I do not think the point of order will rest against this amendment to the basic Tariff Act.

The CHAIRMAN. There is an amendment pending.

Mr. BAILEY. I am offering this as a substitute for the amendment offered by the gentleman from Nebraska [Mr. CURTIS].

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. BAILEY as a substitute for the amendment offered by Mr. CURTIS of Nebraska: Amend section 350 of the Tariff Act, as amended, by adding thereto the following subsections:

"SEC. 5. (a) If in the course of a trade agreement any product on which a concession has been granted is imported into the territory of one of the contracting parties in such increased quantities or under such conditions as to cause or threaten serious injury to domestic producers in that territory of like or directly competitive products, the contracting parties shall be free, in respect of such product, and to the extent and for such time as may be necessary to prevent or remedy such injury, to suspend the concession in whole or in part, to withdraw or modify the concession, or to establish import quotas.

"(b) Upon the request of the President, upon its own motion, or upon application of any interested party the United States Tariff Commission shall make an investigation to determine whether any article upon which a concession has been granted under a trade agreement to which a clause similar to that provided in subsection (a) of this section is applicable, is being imported under such relatively increased quantities or under such conditions as to cause or threaten serious injury to a domestic industry or a segment of such industry which produces a like or directly competitive article.

"In the course of any such investigation the Tariff Commission shall hold hearings, giving reasonable public notice thereof, and shall afford reasonable opportunity for parties interested to be present, to produce evidence, and to be heard at such hearings."

Mr. MILLS. Mr. Chairman, I reserve a point of order on the amendment.

Mr. BAILEY. Mr. Chairman, this substitute amendment which I propose will attain the objectives of the gentleman from Nebraska fully. It will answer the major part of the objections raised by the gentleman from Pennsylvania, who opposed the amendment offered by the gentleman from Nebraska.

The amendment merely sets out a simple procedure whereby harassed industries of this country can get relief directly through the Tariff Commission. I would much prefer that the wording of this procedure be decided here on the floor of the House of Representatives and in the Congress of the United States than be written, as the terms of the present so-called escape clause were written, subsequent to the Geneva agreements.

This simple procedure is provided, that when some domestic industry feels that it is being injured under the reciprocal trade agreements program, all that has to be done is this. The President is first given authority to ask the Tariff Commission for action. The Tariff Commission itself has the right to initiate action. However, in case neither the President nor the Tariff Commission takes that action, then any aggrieved individual may apply to the Tariff Commission for a hearing.

The amendment sets up the procedure by which the Tariff Commission will hold hearings and take testimony and make a decision, and make public their decision. It also provides the procedure that if the Tariff Commission finds that the case presented by this industry is a legitimate one and that the industry is being injured, the Tariff Commission then directs the President to suspend the concession, modify the concession, or set up import quotas to control the amount of foreign goods coming into this country.

If the testimony offered by the complaining industry is not sufficient to convince the Tariff Commission that the industry is being unduly injured, then the Tariff Commission shall make a report and shall make public their findings.

The gentleman from Nebraska proposes to get relief. He proposes to enact into the basic reciprocal trade agreements law the so-called escape clause, that was written, as I said before, subsequent to the Geneva Conference. It is not a part of the basic law.

I think this is the place for this Congress to say to the President, "This is the authority you shall have," to say to the Tariff Commission, "This is the authority you shall have," and to say to the harassed industry of this country, "Here is your avenue of escape. You can come to the Tariff Commission and get relief if you are actually being injured and can prove it."

It is so simple a procedure it will not hurt the basic structure of the Reciprocal Trade Agreements Act at all.

Why is it necessary that we have some escape clause like this? Because we have already frozen and we will continue to freeze during this war effort hundreds of essential commodities in this country that our domestic manufacturers have to have to produce their products. If we do not have an escape clause like this, what happens? Why, the foreign importer moves in while our American producer cannot get the material to manufacture the product. They move in and take over the American market. We have to have an escape clause like this to assure the domestic producer that when he is handicapped by a freeze order on essential material, there must be something to offset the foreign producer who is not living under a freeze order on essential material. The foreign producer moves in and takes our market. We must have this escape clause so that we can regulate the amount of foreign imports which come in while we have these freeze orders during this emergency. We simply must have it.

The CHAIRMAN. The time of the gentleman from West Virginia has expired.

Mr. BAILEY. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. BAILEY. Mr. Chairman, some partial relief will be achieved, should the peril point proposition be carried through to the complete amendment stage. But it does not offer the type of relief which is needed by so many of our industries which are being handicapped due to our efforts to prepare this country for an adequate defense. Let me say to my friends that the escape clause will settle the proposition raised by the gentleman from Texas [Mr. GOSSETT] with reference to the independent oil situation. That is very serious because indirectly it affects the coal industry of this country. I explained a minute ago in discussing the peril point that the peril point would only restore the original 21-cent import duty imposed by the Smoot-Hawley Act of 1930 on a barrel of crude oil. There are over a million barrels of crude oil coming into this country daily. It was testified by both industry and the unions concerned at hearings of both the Senate and House that we could only stand 460,000 barrels of foreign oil daily being imported into this country without injuring domestic oil and the independent oil industry and without harming the coal industry of this country. Here is a method whereby the independent oil people can come in and show that they are being harmed by the excessive imports of cheap oil from Mexico, Venezuela, Saudi Arabia, and Iraq and Iran.

Mr. GOLDEN. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield briefly, for a direct question.

Mr. GOLDEN. You are familiar with the obvious effect upon the oil industry and the coal industry resulting from the reciprocal trade agreements as we now

have them. Is it not true that your amendment will give relief to both of these basic American industries?

Mr. BAILEY. That is true, I will advise the gentleman. It will offer a method of relief for every other industry in the country. It will take care of the lumber situation and the fishery situation in the Northwest. It will take care of the fruit situation in California. It will take care of the independent oil situation in Texas, Oklahoma, Louisiana, and Kansas. It will take care of the pottery industry in Pennsylvania, New Jersey, West Virginia, and Ohio. It will take care of the glass industry in West Virginia, Ohio, and Pennsylvania. It will take care of the fishery industry in New England. It will take care of the hat industry in New England. It will take care of the watch industry in New England. It will take care of the textile industry in Rhode Island, Connecticut, as well as Massachusetts, and in other sections of the country. It will take care of the aluminum situation.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield.

Mr. COX. May I inquire of the gentleman if there is any substantial difference between the amendment offered by the gentleman from Nebraska and the substitute which the gentleman from West Virginia has offered. In other words, as I understand it, the gentleman has the same objective. The only difference between the amendment offered by the gentleman from Nebraska [Mr. CURTIS], and the substitute amendment is one of language; and if the point of order made against the gentleman's substitute is withdrawn and is not to be insisted upon, then I wonder if the author of the regional amendment, in view of the fact that the only difference between the amendment and the gentleman's substitute is one of language, might not accept the substitute amendment.

Mr. BAILEY. That is an end to be desired. I would like to have an expression of the attitude of the gentleman from Nebraska. It accomplishes all that the gentleman hopes to accomplish.

Mr. CURTIS of Nebraska. The objectives are similar. The approaches are different. The amendment I offered is based upon proceeding with the escape clause as already in the agreements.

Mr. BAILEY. That is exactly why I am offering this substitute, because the present so-called escape clause is not workable, and you propose to give it a basis of legality by writing it into this act, and I am opposed to it. We want a sensible escape clause in there.

Mr. CURTIS of Nebraska. I did not write the escape clause. I am simply trying to protect the industry.

Mr. BAILEY. Then you should not be protecting the escape clause.

The CHAIRMAN. The time of the gentleman from West Virginia [Mr. BAILEY] has expired.

Mr. MILLS. Mr. Chairman, I withdraw the point of order.

Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 10 minutes, the last 5 minutes to

be reserved for the gentleman from New York [Mr. KEACH], a member of the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. PERKINS. Mr. Chairman, I move to strike out the last word.—

Mr. Chairman, I rise in support of the Bailey substitute. Since I have been a Member of Congress, I have always supported the reciprocal trade-agreements program and have supported the committee up until this point in all their efforts to put across a satisfactory reciprocal trade program. I am for the bill and intend to support the committee today excepting this substitute amendment. I realize that in times like these it is more important that we have workable reciprocal trade agreements than ever before. From a diplomatic standpoint, it is altogether important that we maintain the good will of all countries who believe in democratic forms of government. We cannot deny the fact that our reciprocal trade program has made a great contribution to our increased standard of living in America, and the renewal of these trade agreements have had the same effect in other countries.

Mr. Chairman, I do believe that certain basic industries have not received the consideration they should have received from the State Department. I come from a coal-producing district. I have some figures here that I would like to give the committee:

During the year 1948 the bituminous-coal industry produced 599,518,229 tons of coal; for the calendar year 1949, 437,868,036 tons—a drop in coal production of approximately 162,000,000 tons in a period of 1 year. During the first half of 1950 the same coal industry produced 232,745,000 tons. After the Korean situation and the demands for some 15,000,000 tons of coking coal in Western Europe came about, besides the increased demands in the United States, we produced approximately 273,000,000 tons.

During the year of 1949 and the first half of 1950, more than one-third of the miners in my district were out of employment and many of the other miners, outside of the captive mines, were working only 1 to 3 days a week. Coal production for the corresponding period in my district was off approximately one-third. During the year 1948 the Big Sandy coal fields produced 15,287,180 tons in comparison with 10,661,740 tons for the year 1949. Coal production in the Hazard coal fields for the year 1948 amounted to 8,971,050 tons as compared to 5,557,700 tons for 1949. Coal production in the Pond Creek section of Pike County, which is a part of the Williamson coal fields, was off approximately one-third. The coal production in the Harlan coal fields in southeastern Kentucky was off approximately one-third during the year of 1949 and the first 6 months of 1950. Many of the mines in eastern Kentucky have been completely closed down and it will take more than a year to open some of those mines back up and get them in

suitable condition to produce the amount of coal that this great Nation may need in times of emergency. The importation of residual oil today is almost two and one-half times greater than in 1948. Coal cannot compete with such unfair competition, especially since this imported residual oil costs very little in comparison with production of coal.

I am supporting this Bailey substitute because I firmly believe the State Department has not given appropriate consideration to our coal industry. Imports of residual oil have been permitted by the State Department to come into this country to such an extent that such imports have curtailed the normal functioning of America's great coal industry, and will continue to cripple it in normal times unless something can be done with a few oil concerns who have brought oil into this country and dumped it on the eastern seaboard at the rate of a million barrels per day, and many times, mostly residual. I mean, after these companies had extracted their first profits from gasoline.

I feel confident that no one in times of emergency would want to raise any question about any oil imported into this country, whether it be residual or sweet, because we need crude oil. I do think, however, that a party in interest should have a right to have a hearing before the Tariff Commission in the event this emergency should soon be over and another year similar to 1949 and the first half of 1950 should recur.

The imports of crude petroleum and residual oil into the United States are under the Internal Revenue Act of 1932, and under the trade agreements. Such imports, under the Revenue Act, are subject to an excise tax or a tariff of 21 cents per barrel of 42 gallons. In the trade agreements with Venezuela, which I think were entered into about the year 1939, the United States agreed to admit a certain quantity of crude petroleum at a reduced rate of 10½ cents per barrel. The amount that could be shipped in under the reduced rate was to be equal to 5 percent of the total crude oil processed in the United States refineries during the preceding calendar year. That trade agreement is still in effect.

A desperate effort was made by the coal people and the United Mine Workers, and the independent oil producers, to get some relief from this situation last spring. A subcommittee of the Education and Labor Committee conducted hearings and Senator NEELY conducted extensive hearings.

I am sure that no one would object in times like these to our Government importing all residual oil or fuel oil needed for Government use, or for use as ship fuel, or for reexport purposes. Oil of that type comes in free under the Trade Agreements Act today. If, in normal times, these oil concerns, who are altogether operating on a money-making basis, insist in bringing this oil into this country at the rate of a million barrels per day, and I think the record shows that approximately 315,000,000 barrels were shipped in during the calendar year of 1950—but, of course, a lot of that was crude oil—and continue to buy up the

residual oil in countries like Venezuela at the rate of a few cents a barrel, and can bring an unlimited amount into this country by paying the regular tariff rate of 21 cents per barrel even though it exceeds the trade-agreements quota, under such circumstances the interested parties should have a right to protect the coal industry.

Mr. Chairman, as I understand the Bailey substitute, it is quite different from the amendment offered by the gentleman from Nebraska [Mr. CURTIS]. The Curtis amendment will not be of any avail to the coal industry and the independent oil producers. On the other hand, the Bailey substitute will permit the party in interest to go before the Tariff Commission, and if he can show that a substantial injury is resulting to a basic industry, the Tariff Commission is required to make a finding of fact and make a recommendation to the President, modifying the agreement in whole or in part, and can recommend the establishing of import quotas.

I am sure many Members of Congress, who have been concerned with the present escape clause brought about by Executive order, feel that the conditions set forth are extremely difficult, if not impossible, to prove. We could not contend that the conditions that have resulted in the coal industry from the importation of residual oil were unforeseen at the time the agreements were entered into.

Besides, the escape clause created by Executive order does not require a finding of fact or a statement of reasons underlying the dismissal of an application by the Tariff Commission. The important question under the Bailey substitute is injury of a domestic industry as a result of imports. The Tariff Commission is required to hold hearings and make findings of fact and give their reasons therefor. No reasons were required under the Executive order escape clause.

Mr. Chairman, I am certain that the membership of this body would not want to see a few oil concerns crucify the important coal industry in this country. There seems to be no program now before the American people that would make our industrial pattern harmonize with our basic resources. But we are, on the other hand, by our own acts, accelerating the drift from abundant coal to scarce oil and gas fuels. The State Department certainly has permitted this unsound trend to be further accelerated by the large-scale importation of residual fuel oil, which tempts still more industries away from coal. While this is basically unsound, it is becoming doubly so in times of an emergency when the burden must again be shifted back to a coal industry that has been injured by this very process.

Mr. Chairman, I am against the Curtis amendment and hope the Bailey substitute will be adopted.

Mr. CURTIS of Nebraska rose.

The CHAIRMAN. For what purpose does the gentleman from Nebraska rise?

Mr. CURTIS of Nebraska. To state that I accept the substitute amendment offered by the gentleman from West Virginia [Mr. BAILEY].

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. KEOGH].

Mr. EBERHARTER. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. EBERHARTER. This comes as a surprise to me. Is it not necessary that unanimous consent be obtained before the gentleman can accept the substitute?

The CHAIRMAN. It will be put to a vote; the substitute has not been agreed to and it has not been withdrawn.

The parliamentary situation is that the gentleman from New York is recognized under an agreement for 5 minutes.

Mr. KEOGH. Mr. Chairman, we are witnessing another attempt legislatively to do indirectly what the Congress has refused to do for many years. It is suggested that there be written into the basic law under which these agreements are executed the mandatory provision for the insertion of an escape clause. This suggestion follows, I am sure, without a full realization that it has been and is now the policy to obtain the insertion in all these agreements of the so-called escape clause.

In 1942, none of the reciprocal trade agreements had such a clause; in 1947, only 23 of them were without the clause, and, in 1949, only 14 were without the provision. Upon the successful conclusion of the conferences at Torquay there will be only nine such agreements that do not have this provision. I am informed that most of these are agreements with Central and South American republics in which the insertion of the provision now would yield no benefit to the United States.

It is, therefore, the intention of the administration and it has been evidenced, to proceed as rapidly as possible to obtain these provisions in all outstanding agreements. Why then should we do this by law? It violates, in my opinion, a basic tactic of any negotiation; for when we charge our representatives with the duty of obtaining the mandatory provision in any agreement, a provision of any kind but especially this kind, it puts the other parties to the negotiation on notice of the limitations of our representatives' powers.

In many instances where it will avail the United States no direct benefit, the necessity to include this provision in the agreement will result in impediments and will result further in our having to make concessions on the far more important subject of rates in connection with other commodities. A congressional mandate such as this does not belong in basic law when we have the relief provided for in the outstanding agreements, and when we have the bona fide evidence of those charged with the administration of the program that they will continue to negotiate such provisions into the agreement.

Referring now to the substitute amendment offered by the gentleman from West Virginia I should like to call your attention to the fact that he makes his provision applicable where conditions cause or threaten serious injury to a domestic industry or a segment of such industry but makes no effort to define

what a segment is. A segment of an industry is any part of the industry. You and I well know, much as we perhaps hate to admit it, that in all industries there are managements that are less efficient, there are locations that are less attractive, there is plant equipment that is obsolete, which would cause that segment of the industry to reflect a changed condition. It might very well be charged that this has been caused by the execution of a reciprocal trade agreement.

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield?

Mr. KEOGH. I yield to the gentleman from North Carolina.

Mr. DOUGHTON. I do not know whether I fully understand the substitute for the Curtis amendment but if I do, may I ask a question. If the substitute is adopted, and then the amendment as amended is adopted, will that not seriously affect the reciprocal trade agreements program?

Mr. KEOGH. In my opinion it would.

Mr. DOUGHTON. The other side has won its case if we adopt that substitute for the original amendment.

Mr. KEOGH. It is trying to do indirectly what should not and cannot be done directly.

(Mr. BURNSIDE asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. BURNSIDE. Mr. Chairman, I wish to incorporate in the RECORD at this point some of the views of our mine workers and our coal operators.

It is my purpose to direct the attention of the Congress to the dangers inherent in the policy of permitting the unrestricted importation of oil from foreign sources. I urge that, first, such legislation include a quota restriction on the importation of residual fuel oil; and, second, such extension of the Trade Agreements Act be limited to a period of 1 year from June 12, 1951.

In this time of grave international crisis one does not lightly question the propriety of unrestricted trade with friendly nations. However, when the policy of unlimited importation threatens to deprive a basic resource industry of its ability to serve the Nation and the Military Establishment in time of emergency, justification exists for an examination of the program as a whole to determine whether some basis for modification exists.

On March 2, 1934, the President of the United States sent a message to the Congress requesting authority to enter into executive commercial agreements with foreign countries for the reciprocal reduction of tariffs and other barriers to the flow of international trade. The President, in asking for the authority, indicated that it was part of an emergency program necessitated by the economic crisis and that the request was an essential step in the program of national economic recovery. In commenting upon the prospective exercise of this authority, the President had this significant statement to make:

The authority must be carefully weighed in the light of the latest information so as to give assurance that no sound and im-

portant American interest will be injuriously disturbed * * * the adjustment of our foreign-trade relations must rest on the premise of undertaking to benefit and not to injure such interests.

It can be shown beyond question that the coal industry has been injured by the operation of the reciprocal trade policy and that this great industry is entitled to protection. Our great industry—both operators and workers—does not believe that the entire reciprocal trade policy must inferentially be abandoned because of selective modifications in the interests of protecting a basic domestic industry from unfair foreign competition. On the contrary, protective modifications fall within the framework of the administrative policy enunciated by the President. Such action is also implicit in the acceptance of the escape clause principle in reciprocal trade agreements. The escape clause was first included in the agreement between the United States and Mexico—1943—and subsequently appeared in the agreement with Paraguay and in the multilateral general agreements on tariffs and trade—1948. The escape clause provides that under specified conditions either party to the agreement may withdraw or modify any concession made. The Tariff Commission is directed, under Executive Order 10,082, to conduct investigations to determine the facts and to recommend remedial action for the President's consideration in cases where facts justifying invocation of the escape clause are found to exist.

The difficulty here, however, is that the Tariff Commission has not exhibited any inclination to grant requested relief pursuant to the escape clause procedure, but what is more important, even if such relief were accorded the coal industry, no useful purpose would be served since the existing import excise tax on oil is only 21 cents per barrel—an amount wholly inadequate to keep coal competitive with cheap foreign oil.

In 1949 the importation of foreign oil supplanted about 150,000,000 barrels of American petroleum production and resulted in surplus residual oil of 100,000,000 barrels which, in turn, displaced 25,000,000 tons of coal. This meant that 25,000 miners and 25,000 transport workers lost their jobs. The coal industry lost \$125,000,000 in gross income; and the railroads, \$75,000,000 in freight revenues. The Nation, States, and cities lost tremendous sums in purchasing power and taxes. Resultant unemployment in the coal and railroad industries brought about by foreign oil added materially to heavy relief burdens of States and cities. The report from the National Coal Association indicates that there was a daily average of 836,000 barrels imported during this period and that the totals for the year amounted to 304,882,000 barrels. It is obvious that coal tonnage displacements and the impact upon labor, railroad, and related industries was even more severe in 1950 than was the case in 1949.

In response to the public demand for action, a subcommittee of the Senate

Committee on Labor and Public Welfare initiated hearings on May 22, 1950, pursuant to Senate Resolution 274 to determine the causes of increasing unemployment in the coal, oil, and railroad industries. The subcommittee was headed by Senator MATTHEW M. NEELY, Democrat, West Virginia.

I had the pleasure of appearing before this able subcommittee of the other body and urging action to remedy the deplorable condition.

On July 14, 1950, the Subcommittee of the Senate Committee on Labor and Public Welfare issued a unanimous report on the hearings held pursuant to Senate Resolution 274. In appraising the materiality of the report for the purposes of this hearing, it is well to bear in mind that it was issued after the Korean crisis which developed June 25, 1950. Pertinent excerpts are as follows:

Many distinguished witnesses, including United States Senators, governors of States, Members of the House of Representatives, and prominent spokesmen for the coal, oil, and railroad industries testified that if oil imports continue at present levels, these industries will suffer lasting injury.

The indispensability of the coal, oil, and railroad industries to our national economy and security requires that measures be promptly taken to prevent their deterioration.

The committee fully recognizes this Nation's heavy responsibility to expand commerce, to the limit of its capacity, between the United States and friendly foreign countries. But when policies designed to increase trade result in continuing injury to the economic well-being of the American people, it becomes necessary to reexamine those policies and to weigh the evident harm against the assumed benefit.

It is perhaps inevitable and certainly understandable that those preoccupied with urgent problems of global concern should be somewhat insensitive to protests of domestic economic dislocation. Fortunately, such lack of vision is not characteristic of legislative representatives entrusted by the Constitution with responsibility for the welfare of the people of the United States.

Of equal importance, but of special interest to the Members of this House are the hearings which were initiated by a Subcommittee of the House Committee on Education and Labor on June 1, 1950, pursuant to House Resolution 75. The subcommittee was headed by Hon. TOM STEED, Democrat, of Oklahoma, and other distinguished Members.

Approximately 40 witnesses appeared in these hearings, including responsible representatives from the bituminous coal industry and various affected railroad, labor, small-business, and independent oil groups.

The chairman of this subcommittee made the following statement:

Since the Congress will be called upon this session to consider again the reciprocal trade program, I commend these hearings to the Members who desire more factual information on just what far-reaching authority is granted and how the careless use of this authority can and does frequently undermine whole industries in this country.

These hearings contain considerable information about how we have permitted reciprocal trade agreements to benefit nations behind the iron curtain and to harm American factories and workers. I hope the Congress

will provide the safeguards in the new reciprocal trade legislation that we need to avoid these abuses in the future.

In conclusion, I believe that the future national security of our country depends upon the enduring strength and vigor of the coal industry. I have made every effort in this statement to address myself exclusively to the facts. The record will show that the policy of unrestricted importations of foreign oil has resulted in severe damage to our industry, and we are confident that justification exists for seeking remedial legislation. With the stakes to the Nation so high, there is no room for retreat behind the once comfortable words, "trade barriers" and "economic nationalism." It is obvious to an important segment of the American people that there must be congressional action—it is hoped that the Eighty-second Congress will perceive that the time is now.

The CHAIRMAN. The question is on the substitute offered by the gentleman from West Virginia [Mr. BAILEY] for the amendment offered by the gentleman from Nebraska [Mr. CURTIS].

The substitute amendment was agreed to.

The CHAIRMAN. The question now recurs on the amendment offered by the gentleman from Nebraska [Mr. CURTIS] as amended by the substitute offered by the gentleman from West Virginia [Mr. BAILEY].

The question was taken; and on a division (demanded by Mr. MILLS) there were—ayes 191, noes 89.

So the amendment was agreed to.

Mr. DEMPSEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DEMPSEY: Page 1, after line 9, insert the following new subsection:

"Sec. 3. Section 350 of the Tariff Act of 1930 as amended is hereby amended by adding at the end thereof the following new subsection:

"(e) No reduced tariff or other concession resulting from a trade agreement entered into under this section shall apply with respect to any agricultural commodity for which price support is available to producers in the United States unless the sales prices (as determined from time to time by the Secretary of Agriculture) for the imported agricultural commodity within the United States after the application of such reduced tariff or other concession exceeds the level of such price support."

Mr. DEMPSEY. Mr. Chairman, the amendment that you have just heard read by the Clerk is simple and provides for just one thing, that when we are maintaining price supports for any agricultural products, no foreign country can ship in the same product at the same time for less than the support price.

We have been criticized throughout this Nation because of the potato situation and similar situations. We have a shortage of farm labor, but notwithstanding that, we are producing huge surpluses in this Nation, which are purchased by the Commodity Credit Corporation. Then we pay to have them destroyed. At the same time, because of cheap labor in some of the nations throughout the world, they are shipping in the same produce, and whatever amount they ship in, we are required to

buy because it increases the surplus. That just does not make sense to me. I think if you want to have these foreign countries ship this produce in, it is all right. But they should not come in at less than the floor price at which the products are being supported.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. DEMPSEY. I yield to the gentleman from Arkansas.

Mr. MILLS. I can well understand the gentleman's interest in the reduction of importations of any product when the Government is supporting the production of that product. Those who have negotiated at the Geneva Conference on tariffs and trade took into consideration this very concern that the gentleman has, and that agreement contains a provision permitting the imposition of quotas at any time. It is not necessary for us to do so in order to protect our control program and support price program. I do not think the gentleman's amendment is necessary as a part of this bill. In addition, we have section 22 of the Agricultural Adjustment Act, which also applies, as members of the Committee on Agriculture know.

Mr. DEMPSEY. You probably have various provisions, but the fact is that they are not being applied, and you are not doing it. A few minutes ago here on the floor of the House, I heard our very able majority whip give percentages, half of 1 percent or 2 percent. Those seem to be small percentages, but if they are on \$800,000,000 or \$900,000,000, it is a lot of money to me or to the people I represent.

I have received letters from all over this Nation telling me of the potatoes leaving Canada going to Florida, New Orleans, and various parts of this country. Letters such as this one:

TALLAHASSEE, FLA., January 26, 1951.
Representative DEMPSEY,
Democrat, New Mexico, House of Representatives,
Washington, D. C.

DEAR SIR: I was interested in your timely remarks on the potato situation in the United States, in the Florida-Times Union (Jacksonville paper) of January 24.

As a housemother at the Kappa Alpha Theta Sorority at Florida State University, I read market and shipping reports. I serve meals to around 60 people twice a day. It shocks me to read of potato shipments into Jacksonville while the United States Government is foolishly, and I do mean foolishly, destroying potatoes. I am no economist but I know waste when I see it. Once this winter, I was even unable to buy potatoes from the wholesale houses for several days.

I enclose a shipping notice, steamship *Adriatica* (GK) unloading potatoes at the port of Jacksonville. If you look back through port files, you will also find potatoes from Canada have been unloaded here, too. How many potatoes are shipped in general-cargo listings would be interesting to know.

If a garage man overbuys gasoline, nobody pays him for unsold stock on hand; if farmers overplant potatoes you toss away millions. With hungry spots on the world's surface, and our Army to feed, why doesn't someone do something?

More power to you.

Yours truly,

Mrs. STANLEY WATSON.

P. S.—I realize farmers must live—maybe it is our whole farm program that needs

overhauling? "Waste makes want" in any language.

At the same time, it is being publicized in the papers of the United States that we have just destroyed \$22,000,000 or \$23,000,000 worth of the same commodity we are bringing in from some other nation.

If we are going to create a situation where we subsidize the agriculture of other nations, I think we are putting such a burden on our workers that I do not believe we can carry the load.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. DEMPSEY. I yield to the gentleman from Iowa.

Mr. GROSS. How about the 805,000 pounds of dried eggs that came in from China in October, in 1 month?

Mr. DEMPSEY. The percentage concerning potatoes that the distinguished gentleman from Tennessee said was only 2.4 could mean about 10,000,000 bushels of that commodity. Maybe in dollars it is not so much the way figures are today, but the quicker we stop throwing away that much money and apply it where it should be applied the better off this Nation is going to be. The people are confused about it. I think the time has come when we ought to do something about this situation. I thought the committee would adopt this amendment, because I offered it in a spirit of cooperation.

(Mr. DEMPSEY asked and was given permission to revise and extend his remarks.)

Mr. MILLS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment is actually not a new amendment to this program. As I understand, the amendment has been offered from time to time in the past, at least in another body.

Let us see what the gentleman is proposing to do. He is proposing by his amendment to take care of one industry in the United States by special and unusual treatment which is not accorded to any other industry in the United States under this program.

I have heard members of the leadership of the American Farm Bureau Federation speak on occasion when they have said they did not want, so far as this program is concerned, any treatment different from that extended to any other industry in the United States.

Mr. DEMPSEY. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from New Mexico.

Mr. DEMPSEY. I am speaking now of the people that are paying taxes in the United States. They are the ones I am talking about. They resent what we are doing.

Mr. MILLS. I, too, am interested in the people who are paying taxes in the United States, and I will come to that in a minute.

The gentleman from New Mexico, my good friend, does not have a monopoly of interest in the welfare of the American farmer, either, because I do not represent anybody but farmers; I do not have any industry in my district to amount to anything. I am interested in the farmers, too.

Let us see what we have here. We have as a part of our existing trade agreements now in effect this Geneva agreement on tariffs and trade entered into in 1948.

In that agreement we undertook to refrain from doing certain things, such as imposing further restrictions in quotas and so forth, except under certain circumstances. In that agreement we reserved the right, in keeping with the terms of section 22 of the Agricultural Adjustment Act, to impose quotas on agricultural commodities when the Federal Government was supporting the price of those commodities and acreage or marketing were being controlled, and where the imports of those commodities threatened to jeopardize those particular domestic controls here in the United States. The gentleman's amendment would extend that kind of protection to agricultural commodities whether there is a support-price program, and whether there is a control program or not. It is my humble opinion, and I think I am right, that the imposition of such a provision would absolutely force the Geneva agreements on tariffs and duties to be abandoned by all countries because we would have violated what we have said we would do.

Mr. DEMPSEY. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield.

Mr. DEMPSEY. My amendment states "where price controls prevail."

Mr. MILLS. I understood the gentleman's amendment to provide quotas on agricultural commodities where they are below a certain price, but not if there is price control. Did I misunderstand the reading of the gentleman's amendment?

Mr. DEMPSEY. The amendment says price supports.

Mr. MILLS. Price supports? The gentleman understands that not to conflict with what was done at the Geneva conference?

Mr. DEMPSEY. It means if we are supporting the price at \$2.50 a bushel, they could not bring it into this country under \$2.

Mr. MILLS. Is that an additional restriction, beyond that which we permitted to be placed into effect under the Geneva agreement on tariff and trade?

Mr. DEMPSEY. It does provide that where we have these surpluses and where we have a price support on those surpluses, then they cannot bring those commodities in at a lower price.

Mr. MILLS. The gentleman is concerned about Irish potatoes.

Mr. DEMPSEY. I love Irish potatoes.

Mr. MILLS. I love Irish potatoes, too. But the gentleman did mention Irish potatoes.

Mr. DEMPSEY. This applies to all these agricultural commodities.

Mr. MILLS. The gentleman told us that we were bringing in Irish potatoes when we were supporting the price of Irish potatoes. The gentleman knows the program of supporting the price of Irish potatoes terminates with this crop. Some of you members of the Committee on Agriculture who are acquainted with that provision, I think, will back me up

when I state that that program for the support of Irish potatoes is about over. We do not want to do something here just to keep a few potatoes from coming into the United States which nullifies and vitiates the agreements already entered into and which is contrary to the pledges we have made in that agreement. Do we want to do that?

Mr. SIMPSON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield.

Mr. SIMPSON of Pennsylvania. Surely the gentleman knows that when the negotiators got together in Geneva they wrote into that general agreement many provisions for which they had no legislative authority. They greatly exceeded their authority.

Mr. MILLS. The gentleman may be right, but we gave them authority to reduce the tariffs.

Mr. SIMPSON of Pennsylvania. But not to make agreements tying the hands of Congress on domestic matters.

Mr. MILLS. In addition to doing that, they took into account the provisions of section 22 of the Agricultural Adjustment Act. They retained the right on the part of the United States to impose quotas at any time quotas are needed to protect the price of agricultural commodities that are being supported, and with respect to which control programs are in effect. I do not think the amendment is necessary. And I think we can do a tremendous amount of harm to our standing with these democracies of Western Europe with which we are allied in the Atlantic Pact.

[Mr. HOFFMAN of Michigan addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. FELLOWS. Mr. Chairman, I move to strike out the last word, and I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. FELLOWS. Mr. Chairman, I come from a territory that raises potatoes and Republicans, and I am supporting this amendment. It is true that the support goes off of this crop. It is also true that they have in the law a provision which permits this country to prevent importations, as the distinguished gentleman from Arkansas [Mr. MILLS] has stated, but the trouble with that is that they do not impose it. We had one in Maine, and they abrogated it. So, under the circumstances, we thought we had been a little bit mistreated. When you consider that 10,000 carloads were imported in 1 year, when we raised 70,000,000 bushels, and they dumped some 25,000,000 or 30,000,000 bushels because they had a surplus, I think perhaps the imposition of a quota would have been a good thing. They abrogated it, for some unknown reason, and we complained very bitterly about it. Ten thousand carloads means 10,000,000 bushels of potatoes.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. FELLOWS. I yield.

Mr. MILLS. As I now understand the amendment offered by the gentleman from New Mexico [Mr. DEMPSEY], it would not help the potato situation in Maine. That support price is withdrawn with this crop.

Mr. FELLOWS. That is very true, but I am interested in other States of the Union, including Arkansas.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. FELLOWS. I yield.

Mr. HOFFMAN of Michigan. It would surely help the egg situation. The gentleman might not be in favor of helping hens, but I am telling you we have to rely on them sometimes.

Mr. FELLOWS. The distinguished gentleman from Michigan is a source of wisdom, and I listen to him occasionally.

I like our Canadian neighbors. They are splendid neighbors, and I believe in the good-neighbor policy to a certain extent, but I do feel that we should protect our own, and I am at a loss to understand, during all this debate, why it is if anybody stands up here and says that we have a country and that it needs our help, somebody gets up to tell us that we should be more interested in Poland or Czechoslovakia, or whatnot. We celebrate this week the birthday of Abraham Lincoln, who said, "I have not thought much on the subject recently, but my general impression is that the necessity for a protective tariff will ere long force its old opponents to take it up, and then its old friends can join in and establish it on a more firm and durable basis."

This thought has entered my head today: It might be of more profit to us, and it would save us money, if we dug up the *Mayflower* and refitted it and all went back. We could thus save much transportation expense.

I am going to support this amendment in the interest of Arkansas.

The CHAIRMAN. The time of the gentleman from Maine has expired.

Mr. NICHOLSON. Mr. Chairman, I rise in support of the amendment. I am not going to take any more time. I was allowed 3 minutes on the last amendment, and I did not finish.

I was very much interested in the remarks made by the gentleman from Maine [Mr. FELLOWS], as was everybody else. I am glad that we have a CONGRESSIONAL RECORD that will print what he said, because he talks the same language as we do in Massachusetts. As a matter of fact, Maine was a part of Massachusetts at one time and we got rid of it.

Somebody here—I do not know who it was—was finding fault with those people who were voting the American way, accusing them of being isolationists. Well, I want the 435 Members here to know, and the country at large to know, that there is another one here that is going to be an isolationist if they do not change their tactics.

What have these internationalists brought us? Two wars and the possibility of a third, and letting France, England, and some other foreign countries who neither talk our language nor understand it tell us what to do.

I was interested to hear about the exports, but what about the flood of imports? When are we going to stop them?

We have got to start right now, I think, to tell the whole world that at least we are going to look out for our own country. The sooner we do it the better off we shall be. If this be isolationism, then I am an isolationist.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Mexico [Mr. DEMPSEY].

The question was taken; and on a division (demanded by Mr. MILLS) there were—ayes 124, noes 110. So the amendment was agreed to.

The CHAIRMAN. If there are no further amendments, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WALTER, chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 1612) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, pursuant to House Resolution 103, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment?

Mr. MILLS. Mr. Speaker, I demand a separate vote on the so-called Simpson amendment and also on the Curtis amendment as amended by the Bailey amendment.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The SPEAKER. The Clerk will report the first amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. SIMPSON of Pennsylvania: After line 9, insert the following:

"SEC. 3. (a) Before entering into negotiations concerning any proposed foreign-trade agreement under section 350 of the Tariff Act of 1930, as amended; the President shall furnish the United States Tariff Commission (hereinafter in this act referred to as the Commission) with a list of all articles imported into the United States to be considered for possible modification of duties and other import restrictions, imposition of additional import restrictions, or continuance of existing customs or excise treatment. Upon receipt of such list the Commission shall make an investigation and report to the President the findings of the Commission with respect to each such article as to (1) the limit to which such modification, imposition, or continuance may be extended in order to carry out the purpose of such section 350 without causing or threatening serious injury to the domestic industry producing like or directly competitive articles; and (2) if increases in duties or additional import restrictions are required to avoid serious injury to the domestic industry producing like or directly competitive articles, the minimum increases in duties or additional import restrictions required. Such report shall be made by the Commission to the President not later than 120 days after the

receipt of such list by the Commission. No such foreign-trade agreement shall be entered into until the Commission has made its report to the President or until the expiration of the 120-day period.

"(b) In the course of any investigation pursuant to this section the Commission shall hold hearings and give reasonable public notice thereof, and shall afford reasonable opportunity for parties interested to be present, to produce evidence, and to be heard at such hearings.

"(c) Section 4 of the act entitled 'An act to amend the Tariff Act of 1930,' approved June 12, 1934, as amended (U. S. C., sec. 1354), is hereby amended by striking out the matter following the semicolon and inserting in lieu thereof the following: 'and before concluding such agreement, the President shall request the Tariff Commission to make the investigation and report provided for by section 3 of the Trade Agreements Extension Act of 1951, and shall seek information and advice with respect to such agreement from the Departments of State, Agriculture, Commerce, and Defense, and from such other sources as he may deem appropriate.'

"SEC. 4. The Commission shall furnish facts, statistics, and other information at its command to officers and employees of the United States preparing for or participating in the negotiation of any foreign-trade agreement; but neither the Commission nor any member, officer, or employee of the Commission shall participate in any manner (except to report findings, as provided in section 3 of this act and to furnish facts, statistics, and other information as required by this section) in the making of decisions with respect to the proposed terms of any foreign trade agreement or in the negotiation of any such agreement.

"SEC. 5. (a) Within 30 days after any trade agreement under section 350 of the Tariff Act of 1930, as amended, has been entered into which, when effective, will (1) require or make appropriate any modification of duties or other import restrictions, the imposition of additional import restrictions, or the continuance of existing customs or excise treatment, which modification, imposition, or continuance will exceed the limit to which such modification, imposition, or continuance may be extended without causing or threatening serious injury to the domestic industry producing like or directly competitive articles as found and reported by the Tariff Commission under section 3, or (2) fail to require or make appropriate the minimum increase in duty or additional import restrictions required to avoid such injury, the President shall transmit to Congress a copy of such agreement together with a message accurately identifying the article with respect to which such limits or minimum requirements are not complied with, and stating his reasons for the action taken with respect to such article. If either the Senate or the House of Representatives, or both, are not in session at the time of such transmission, such agreement and message shall be filed with the Secretary of the Senate or the Clerk of the House of Representatives, or both, as the case may be.

"(b) Promptly after the President has transmitted such foreign-trade agreement to Congress the Commission shall deposit with the Committee on Ways and Means of the House of Representatives, and the Committee on Finance of the Senate, a copy of the portions of its report to the President dealing with the articles with respect to which such limits or minimum requirements are not complied with."

The SPEAKER. The question is on the amendment.

Mr. MILLS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 225, nays 168, answered "present" 2, not voting 38, as follows:

[Roll No. 12]

YEAS—225

Aandahl	Elston	Mumma
Abernethy	Fallon	Nelson
Adair	Fellows	Nicholson
Allen, Calif.	Fenton	Norblad
Allen, Ill.	Fisher	O'Hara
Andersen,	Fogarty	Ostertag
H. Carl	Ford	Patten
Anderson, Calif.	Forrester	Patterson
Andresen,	Gamble	Philbin
August H.	Gathings	Phillips
Angell	Gavin	Polk
Arends	George	Potter
Armstrong	Golden	Poulson
Aspinall	Goodwin	Prouty
Auchincloss	Gossett	Radwan
Ayres	Graham	Reece, Tenn.
Bailey	Gross	Reed, Ill.
Baker	Gwinn	Reed, N. Y.
Baring	Hagen	Rees, Kans.
Bates, Mass.	Hale	Regan
Beall	Hall,	Riehlman
Beamer	Edwin Arthur	Robeson
Belcher	Hand	Rogers, Colo.
Bender	Harden	Rogers, Mass.
Bennett, Mich.	Harrison, Wyo.	Sadlak
Bentsen	Harvey	St. George
Berry	Hays, Ohio	Saylor
Betts	Herlong	Schwabe
Bishop	Herter	Scott, Hardie
Blackney	Hess	Scott,
Boggs, Del.	Hill	Hugh D. Jr.
Bolton	Hillings	Scrivner
Bow	Hoeven	Scudder
Bramblett	Hoffman, Ill.	Secrest
Bray	Hoffman, Mich.	Seely-Brown
Brehm	Holmes	Shafer
Brown, Ohio	Hope	Sheehan
Brownson	Horan	Short
Bryson	Hull	Sikes
Budge	Hunter	Simpson, Ill.
Buffett	Jackson, Calif.	Simpson, Pa.
Burdick	James	Sittler
Burleson	Jenison	Smith, Kans.
Burnside	Jenkins	Smith, Wis.
Busbey	Jensen	Springer
Bush	Johnson	Staggers
Butler	Jonas	Stefan
Byrnes, Wis.	Kean	Stockman
Canfield	Kearney	Taber
Chenoweth	Kearns	Talle
Chiperfield	Keating	Thompson,
Church	Kersten, Wis.	Mich.
Clevenger	Kilburn	Tollefson
Cole, Kans.	Lane	Towe
Cole, N. Y.	Lantaff	Vail
Cotton	Latham	Van Pelt
Coudert	LeCompte	Van Zandt
Cox	Lind	Vaughn
Crawford	Lovre	Vorys
Crumpacker	McConnell	Vursell
Cunningham	McCulloch	Weichel
Curtis, Mo.	McDonough	Wharton
Curtis, Nebr.	McGregor	Wheeler
Dague	McKinnon	Whitten
Davis, Ga.	McMullen	Widnall
Davis, Wis.	McVey	Wigglesworth
Dempsey	Mack, Wash.	Williams, Miss.
Denny	Martin, Iowa	Williams, N. Y.
Devereux	Martin, Mass.	Willis
D'Ewart	Mason	Wilson, Ind.
Dolliver	Meador	Wilson, Tex.
Dondero	Morrow	Winstead
Donohue	Miller, Md.	Wolcott
Donovan	Miller, Nebr.	Wolverton
Dorn	Miller, N. Y.	Wood, Idaho
Eaton	Morano	Woodruff
Ellsworth	Morton	

NAYS—163

Abbitt	Buckley	Delaney
Addonizio	Burton	Denton
Albert	Byrne, N. Y.	Dollinger
Allen, La.	Camp	Doughton
Andrews	Cannon	Doyle
Anfuso	Carlyle	Durham
Barrett	Carnahan	Eberharter
Bates, Ky.	Case	Engle
Battle	Chatham	Evins
Beckworth	Chelf	Feighan
Bennett, Fla.	Chudoff	Fernandez
Blatnik	Clemente	Fine
Boggs, La.	Colmer	Flood
Bolling	Combs	Forand
Bonner	Cooley	Frazier
Bosone	Crosser	Fugate
Brooks	Davis, Tenn.	Fulton
Brown, Ga.	Deane	Furcolo
Buchanan	DeGraffenried	Garmatz

Gary	Lanham	Ramsay
Gordon	Lesinski	Rankin
Gore	Lucas	Reams
Granahan	Lyle	Rhodes
Granger	McCarthy	Ribicoff
Grant	McCormack	Richards
Green	McGrath	Riley
Greenwood	McGuire	Roberts
Gregory	McMillan	Rodino
Hardy	Machrowicz	Rogers, Fla.
Harrison, Va.	Mack, Ill.	Rogers, Tex.
Hart	Madden	Rooney
Havenner	Magee	Sasser
Hays, Ark.	Mansfield	Shelley
Hébert	Marshall	Sheppard
Hedrick	Mills	Sieminski
Heller	Mitchell	Smith, Miss.
Heseltun	Morgan	Smith, Va.
Holifield	Morris	Spence
Howell	Morrison	Stanley
Irving	Moulder	Steed
Jackson, Wash.	Multer	Stigler
Jarman	Murdock	Tackett
Javits	Murphy	Thomas
Jones, Ala.	Murray, Tenn.	Thompson, Tex.
Jones, Mo.	Norrell	Thornberry
Jones,	O'Brien, Ill.	Trimble
Hamilton C.	O'Brien, Mich.	Underwood
Jones,	O'Neill	Vinson
Woodrow W.	O'Toole	Walter
Karsten, Mo.	Perkins	Welch
Kelley, Pa.	Pickett	Whitaker
Kelly, N. Y.	Poage	Wickersham
Keogh	Preston	Wier
King	Price	Yates
Kirwan	Priest	Yorty
Klein	Quinn	Zablocki
Kluczynski	Rains	

ANSWERED "PRESENT"—2

Patman	Sutton
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NOT VOTING—38

Barden	Harris	Passman
Boykin	Heffernan	Powell
Breen	Hinshaw	Rabaut
Celler	Judd	Redden
Cooper	Kee	Rivers
Corbett	Kennedy	Roosevelt
Dawson	Kerr	Sabath
Dingell	Kilday	Taylor
Elliott	Larcade	Teague
Gillette	Mahon	Velde
Hall,	Miller, Calif.	Werdel
Leonard W.	Murray, Wis.	Withrow
Halleck	O'Konski	Wood, Ga.

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Halleck for, with Mr. Patman against.
 Mr. Sutton for, with Mr. Cooper against.
 Mr. Wood, Ga., for with Mr. Kerr against.
 Mr. Werdel for, with Mr. Mahon against.
 Mr. Henshaw for, with Mr. Roosevelt against.
 Mr. O'Konski for, with Mr. Harris against.
 Mr. Rivers for, with Mr. Withrow against.
 Mr. Leonard W. Hall for, with Mr. Celler against.
 Mr. Gillette for, with Mr. Heffernan against.
 Mr. Corbett for, with Mr. Sabath against.
 Mr. Taylor for, with Mr. Rabaut against.
 Mr. Velde for, with Mr. Boykin against.

Until further notice:

Mr. Powell with Mr. Judd.
 Mr. Dawson with Mr. Murray of Wisconsin.

Mr. PATMAN. Mr. Speaker, I am paired with the gentleman from Indiana, Mr. HALLECK. I voted "nay." I desire to withdraw my vote and vote "present" since he would vote "yea" if he were here.

Mr. SUTTON. Mr. Speaker, I am paired with the gentleman from Tennessee, Mr. COOPER. I voted "yea." I desire to withdraw my vote and vote "present" since he would vote "nay" if he were here.

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment on which a separate vote is requested.

The Clerk read as follows:

Amendment offered by Mr. CURTIS of Nebraska as amended by the amendment offered by Mr. BAILEY: Amend section 350 of the Tariff Act, as amended by adding thereto the following subsections:

"SEC. 5. (a) If in the course of a trade agreement any product on which a concession has been granted is being imported into the territory of one of the contracting parties in such increased quantities or under such conditions as to cause or threaten serious injury to domestic producers in that territory of like or directly competitive products, the contracting parties shall be free, in respect of such product, and to the extent and for such time as may be necessary to prevent or remedy such injury, to suspend the concession in whole or in part, to withdraw or modify the concession or to establish import quotas.

"(b) Upon the request of the President, upon its own motion, or upon application of any interested party the United States Tariff Commission shall make an investigation to determine whether any article upon which a concession has been granted under a trade agreement to which a clause similar to that provided in subsection (a) of this section is applicable, is being imported under such relatively increased quantities or under such conditions as to cause or threaten serious injury to a domestic industry or a segment of such industry which produces a like or directly competitive article.

"In the course of any such investigation the Tariff Commission shall hold hearings, giving reasonable public notice thereof, and shall afford reasonable opportunity for parties interested to be present, to produce evidence, and to be heard at such hearings."

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. REED of New York. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. REED of New York. I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. REED of New York moves to recommit the bill H. R. 1612 to the Committee on Ways and Means.

Mr. MILLS. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

Mr. FULTON. Mr. Speaker, I ask for the yeas and nays on the motion to recommit.

The yeas and nays were refused.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the clerk of the com-

mittee may be permitted to correct section numbers in the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

THE RECIPROCAL TRADE AGREEMENTS ACT AND THE FLORIDA FRUIT AND VEGETABLE INDUSTRY

(Mr. LANTAFF asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. LANTAFF. Mr. Speaker, while the fruit and vegetable industry in my district has been adversely affected in some respect by the Reciprocal Trade Agreements Act, nevertheless, the record of accomplishment under the act, and the best interests of the country as a whole, dictate that I vote for H. R. 1612. Today our greatest concern is the maintenance of our national security in cooperation with other nations.

The fruit and vegetable industry, of which I speak, has suffered because of the large quantities of fruits and vegetables imported from Cuba and Mexico, where labor is cheaper than in south Florida, and to afford that industry an opportunity to be fully heard I have voted for certain amendments.

Originally this industry did not support the passage of the Reciprocal Trade Agreements Act. As the years have passed, they have changed their opinion, however, and now believe that the trade treaty principle is sound, considering the national good, but in the overall application there are inequities which need correcting.

Recently this industry made a study covering nearly 2 years' time, and worked out an economic program adjusted to the Reciprocal Trade Agreements Act, its entire principle and purpose.

This proposal was so sound and fair that the major vegetable association in Nogales, Ariz., which owns or controls 70 percent of the vegetable production in Mexico, endorsed the program submitted by the Florida growers.

At the same time, the producers and exporters of Cuba agreed to the program and endorsed it. Representatives of these foreign and domestic groups made an appearance before the Committee for Reciprocity Information and submitted that agreed-upon program last September.

Nothing, however, has been accomplished to date. These producers are constantly told that certain policies will not permit the Department of State to include their program in the trade treaty now being negotiated with Cuba. They have not been formally turned down, but little, if any, consideration has been given to adoption of this sound program agreed to by both foreign and domestic interests. Such an unreasonable attitude is not in best interests of our citizens, and will eventually harm the whole reciprocal trade program.

PERMISSION TO ADDRESS THE HOUSE

Mr. HELLER. Mr. Speaker, I ask unanimous consent to address the House

for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

BROOKLYN REGIONAL OFFICE OF VETERANS' ADMINISTRATION

Mr. HELLER. Mr. Speaker, in the congressional district which I have the honor to represent the Veterans' Administration now maintains a regional office for the Borough of Brooklyn. There seems to be some talk or report in Washington of this office being taken away from the borough.

To forestall such action, I have this day introduced a bill and I shall urge that favorable action be taken providing that a regional office of the Veterans' Administration be maintained in Brooklyn, N. Y.

Mr. Speaker, nothing could be more generous, wise, or farseeing than the provisions Congress has made for the protection and assistance of veterans of the Second World War. There has never been anything to equal it in our history or in that of any other country. There is always the danger, however, that the actual beneficent intent of Congress will be nullified to a greater or less degree by the ineptness of those who are called upon to administer the provisions of the law.

An instance of this has come to light in the report that the Veterans' Administration is about to close its regional office in the Borough of Brooklyn. The ground alleged is that the building in which the present regional office is housed must be vacated to make way for a war industry in connection with the present mobilization.

I venture to hope that this report is without solid foundation in fact. If the situation is otherwise, and the Veterans' Administration is really seriously considering the closing down of this office, a great disservice will be done to one of the largest groups of veterans in the whole country. There are some 400,000 veterans served by this office. Every one who has any connection with veterans' affairs knows something about the complexity of the questions that are constantly arising in connection with the many-sided activities carried on. Innumerable questions and uncertainties arise; there are innumerable occasions when nothing will clear up the case except a personal interview between those concerned.

To assign all this work to some center at a distance from the borough where 400,000 of the beneficiaries live will contribute neither to expedition nor to efficiency. There will be unnecessary delays and avoidable misunderstanding, and a considerable degree of inconvenience to 400,000 veterans.

If defense needs really require the evacuation of the present building, there are many other sites which can be found. It is not necessary to give up the regional office altogether, thus adding further confusion to an always confused operation.

ANNOUNCEMENT

Mr. TRIMBLE. Mr. Speaker, the following members of the Committee on Public Works of the House of Representatives were at the White House at the time roll call No. 11 took place: Messrs. BUCKLEY, FALLON, DAVIS of Tennessee, TRIMBLE, BLATNIK, PICKETT, JONES of Alabama, LANHAM, MOULDER, DEMPSEY, SMITH of Mississippi, DONDERO, ANGELL, MCGREGOR, MACK of Washington, VURSELL, SCUDDER, BRAY, BAKER, and WOOD of Idaho.

SPECIAL ORDERS GRANTED

Mr. MADDEN asked and was given permission to address the House for 10 minutes today, following the legislative program and any special orders heretofore entered.

Mr. LANE asked and was given permission to address the House for 10 minutes today, following the legislative program and any special orders heretofore entered.

LEAVE OF ABSENCE

Mr. McDONOUGH. Mr. Speaker, I ask unanimous consent that my colleague from California [Mr. HINSHAW] may have an indefinite leave of absence due to illness.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include two bills.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

TRAIN WRECK AT WOODBRIDGE, N. J.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I have sent to the Secretary of Commerce and the Attorney General a request that they furnish the House of Representatives at the earliest practical date full and complete information with respect to the railroad accident which occurred near Woodbridge, N. J., on February 6, 1951, an accident in which the lives of 81 persons were taken and 500 others injured, specifically advising the House whether the accident was directly or indirectly caused by sabotage.

Mr. Speaker, the Members of the House realize that we have had far too many railroad accidents in the past months, many of them killing our soldiers going to camp and to the front. This matter should be thoroughly investigated.

I have introduced the following resolution:

Resolved, That the Secretary of Commerce of the United States is requested to furnish to the House of Representatives at the earliest practicable date full and complete information with respect to the railroad accident which occurred near Woodbridge, N. J., on February 6, 1951, and took the lives of 81 persons and injured 500 persons, and specifically advising the House whether the accident was directly or indirectly caused by sabotage.

SPECIAL ORDER

The SPEAKER. Under previous order of the House, the gentleman from Wisconsin [Mr. SMITH] is recognized for 15 minutes.

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent that I may include as part of my remarks an article by Mr. David Lawrence on Yalta and a resolution adopted by the Polish Peoples University Forum of Chicago; further that my colleagues, the gentleman from Connecticut [Mr. SADLAK], the gentleman from Delaware [Mr. BOGGS], and the gentleman from New York [Mr. RADWAN], be permitted to extend their remarks at the conclusion of my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

YALTA HAUNTS U. S. A.

Mr. SMITH of Wisconsin. Mr. Speaker, this day marks the sixth anniversary of the Yalta agreement. At Yalta, three men with their advisers met and determined the fate of Europe and Asia—Stalin, Churchill, and Roosevelt. The events that have flowed from that meeting have left the world in utter confusion and on the brink of another global war.

Mr. Speaker, I shall never forget the first day of March 1945 when the then President Roosevelt came into the well of this House and reported to a joint session of the Congress on his trip to Yalta and return. He was a very sick man and it was evident that he had undergone considerable strain notwithstanding his attempt to take matters lightly. I have just read his speech in the RECORD of that day and I now realize that he gave us a detailed report. I was particularly interested in one statement that he made. I quote from page 1622 of the RECORD for March 1, 1945:

Quite naturally this conference concerned itself only with the European war and with the political problems of Europe—and not with the Pacific war.

As we look back, Mr. Speaker, we realize that certain Asiatic problems were discussed and agreed upon contrary to that statement. Russia was given concessions in Manchuria and certain islands in the Pacific at the expense of China who was not represented at the conference in direct contradiction to the agreement made at Cairo in 1943. This was the occasion when we put the skids under China. The record has been made. It cannot be denied. This deal was engineered by the Democratic administration.

Mr. Speaker, on March 2, the very day after the President had made his report to Congress it was my privilege to have addressed this body on the subject of Yalta and the title of my remarks was: "Yalta—A Moral Retreat—Poland and Small Nations Crucified." On that occasion I stated that the purpose of my remarks would be confined to that phase of the Yalta conference which dealt with the so-called Polish question and

82^D CONGRESS
1ST SESSION

H. R. 1612

IN THE SENATE OF THE UNITED STATES

FEBRUARY 8 (legislative day, JANUARY 29), 1951

Read twice and referred to the Committee on Finance

AN ACT

To extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Trade Agreements
4 Extension Act of 1951".

5 SEC. 2. The period during which the President is au-
6 thorized to enter into foreign-trade agreements under section
7 350 of the Tariff Act of 1930, as amended and extended,
8 is hereby extended for a further period of three years from
9 June 12, 1951,

1 SEC. 3. (a) Before entering into negotiations concern-
2 ing any proposed foreign trade agreement under section 350
3 of the Tariff Act of 1930, as amended, the President shall
4 furnish the United States Tariff Commission (hereinafter
5 in this Act referred to as the "Commission") with a list of
6 all articles imported into the United States to be considered
7 for possible modification of duties and other import restric-
8 tions, imposition of additional import restrictions, or con-
9 tinuance of existing customs or excise treatment. Upon re-
10 ceipt of such list the Commission shall make an investigation
11 and report to the President the findings of the Commission
12 with respect to each such article as to (1) the limit to which
13 such modification, imposition, or continuance may be ex-
14 tended in order to carry out the purpose of such section 350
15 without causing or threatening serious injury to the domestic
16 industry producing like or directly competitive articles; and
17 (2) if increases in duties or additional import restrictions
18 are required to avoid serious injury to the domestic industry
19 producing like or directly competitive articles the minimum
20 increases in duties or additional import restrictions required.
21 Such report shall be made by the Commission to the Presi-
22 dent not later than 120 days after the receipt of such list
23 by the Commission. No such foreign trade agreement shall
24 be entered into until the Commission has made its report to
25 the President or until the expiration of the 120-day period.

1 (b) In the course of any investigation pursuant to this
2 section the Commission shall hold hearings and give reason-
3 able public notice thereof, and shall afford reasonable oppor-
4 tunity for parties interested to be present, to produce evidence,
5 and to be heard at such hearings.

6 (c) Section 4 of the Act entitled "An Act to amend
7 the Tariff Act of 1930", approved June 12, 1934, as
8 amended (19 U. S. C., sec. 1354), is hereby amended by
9 striking out the matter following the semicolon and inserting
10 in lieu thereof the following: "and before concluding such
11 agreement the President shall request the Tariff Commis-
12 sion to make the investigation and report provided for by
13 section 3 of the Trade Agreements Extension Act of 1951,
14 and shall seek information and advice with respect to such
15 agreement from the Departments of State, Agriculture,
16 Commerce, and Defense, and from such other sources as
17 he may deem appropriate."

18 SEC. 4. The Commission shall furnish facts, statistics,
19 and other information at its command to officers and em-
20 ployees of the United States preparing for or participating
21 in the negotiation of any foreign trade agreement; but
22 neither the Commission nor any member, officer, or employee
23 of the Commission shall participate in any manner (except
24 to report findings, as provided in section 3 of this Act and
25 to furnish facts, statistics, and other information as required

1 by this section) in the making of decisions with respect to
2 the proposed terms of any foreign trade agreement or in the
3 negotiation of any such agreement.

4 SEC. 5. (a) Within thirty days after any trade agree-
5 ment under section 350 of the Tariff Act of 1930, as
6 amended, has been entered into which, when effective, will
7 (1) require or make appropriate any modification of duties
8 or other import restrictions, the imposition of additional
9 import restrictions, or the continuance of existing customs
10 or excise treatment, which modification, imposition, or con-
11 tinuance will exceed the limit to which such modification,
12 imposition, or continuance may be extended without
13 causing or threatening serious injury to the domestic
14 industry producing like or directly competitive articles
15 as found and reported by the Tariff Commission under
16 section 3, or (2) fail to require or make appropriate
17 the minimum increase in duty or additional import restric-
18 tions required to avoid such injury, the President shall
19 transmit to Congress a copy of such agreement together with
20 a message accurately identifying the article with respect
21 to which such limits or minimum requirements are not com-
22 plied with, and stating his reasons for the action taken with
23 respect to such article. If either the Senate or the House of
24 Representatives, or both, are not in session at the time of
25 such transmission, such agreement and message shall be filed

1 with the Secretary of the Senate or the Clerk of the House
2 of Representatives, or both, as the case may be.

3 (b) Promptly after the President has transmitted such
4 foreign trade agreement to Congress the Commission shall
5 deposit with the Committee on Ways and Means of the
6 House of Representatives, and the Committee on Finance
7 of the Senate, a copy of the portions of its report to the
8 President dealing with the articles with respect to which
9 such limits or minimum requirements are not complied with.

10 SEC. 6. As soon as practicable, but not more than ninety
11 days after enactment of this Act, the President shall take
12 such action as is necessary to withdraw or prevent the appli-
13 cation of reduced tariffs or other concessions (including the
14 binding of an article on the free list) contained in any trade
15 agreement hereafter entered into under authority of section
16 350 of the Tariff Act of 1930, as amended and extended, to
17 imports from the Union of Soviet Socialist Republics and to
18 imports from any nation or area thereof which the President
19 deems to be dominated or controlled by the foreign govern-
20 ment or foreign organization controlling the world Commu-
21 nist movement.

22 SEC. 7. (a) If in the course of a trade agreement any
23 product on which a concession has been granted is being
24 imported into the territory of one of the contracting parties in
25 such increased quantities or under such conditions as to cause

1 or threaten serious injury to domestic producers in that terri-
2 tory of like or directly competitive products, the contracting
3 parties shall be free, in respect of such product, and to the
4 extent and for such time as may be necessary to prevent or
5 remedy such injury, to suspend the concession in whole or
6 in part, to withdraw or modify the concession or to establish
7 import quotas.

8 (b) Upon the request of the President, upon its own
9 motion, or upon application of any interested party the
10 United States Tariff Commission shall make an investigation
11 to determine whether any article upon which a concession
12 has been granted under a trade agreement to which a clause
13 similar to that provided in subsection (a) of this section is
14 applicable, is being imported under such relatively increased
15 quantities or under such conditions as to cause or threaten
16 serious injury to a domestic industry or a segment of such
17 industry which produces a like or directly competitive article.

18 In the course of any such investigation the Tariff Com-
19 mission shall hold hearings, giving reasonable public notice
20 thereof, and shall afford reasonable opportunity for parties
21 interested to be present, to produce evidence, and to be heard
22 at such hearings.

23 Should the Tariff Commission find, as the result of its
24 investigation and hearings, that serious injury is being caused
25 or threatened through the importation of the article in ques-

tion, it shall recommend to the President, the withdrawal or modification of the concession, its suspension in whole or in part, or the establishment of import quotas, to the extent and for such time as may be necessary to prevent or remedy such injury.

(c) When in the judgment of the Tariff Commission no sufficient reason exists for such a recommendation to the President it shall, after due investigation and hearings, make a finding in support of its denial of the application, setting forth the facts which have led to such conclusion. This finding shall set forth the level of duty below which, in the Commission's judgment, serious injury would occur or threaten.

In arriving at a determination in the foregoing procedure the Tariff Commission shall deem a downward trend of production, employment and wages in the domestic industry concerned, or a decline in sales and a higher or growing inventory attributable in part to import competition, to be evidence of serious injury or a threat thereof.

SEC. 8. Section 350 of the Tariff Act of 1930, as amended, is hereby amended by adding at the end thereof the following new subsection:

“(e) No reduced tariff or other concession resulting from a trade agreement entered into under this section shall apply with respect to any agricultural commodity for which price support is available to producers in the United States unless

1 the sales prices (as determined from time to time by the
2 Secretary of Agriculture) for the imported agricultural com-
3 modity within the United States after the application of
4 such reduced tariff or other concession exceed the level of
5 such price support.”

Passed the House of Representatives February 7, 1951.

Attest:

RALPH R. ROBERTS,

Clerk.

AN ACT

To extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

FEBRUARY 8 (legislative day, JANUARY 29), 1951

Read twice and referred to the Committee on Finance

82D CONGRESS
1ST SESSION

H. R. 1612

IN THE SENATE OF THE UNITED STATES

FEBRUARY 8 (legislative day, JANUARY 29), 1951

Referred to the Committee on Finance and ordered to be printed

AMENDMENTS

Intended to be proposed by Mr. BREWSTER to the bill (H. R. 1612) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, viz:

1 In line 8, strike out "three years" and insert in lieu
2 thereof "one year".

3 At the end of the bill insert the following new section:

4 "SEC. 3. (a) The President shall, upon the request of
5 the Committee on Ways and Means of the House of Repre-
6 sentatives or the Committee on Finance of the Senate, or
7 upon resolution of either House of Congress, cause an in-
8 vestigation to be made to determine whether the escape
9 clause of any trade agreement should be invoked.

1 “(b) Whenever an application of any American citizen,
2 corporation, or association for action under an escape clause
3 is denied, the President shall cause to be made public the
4 reason for such denial.”

5 At the end of the bill insert the following new section:

6 “SEC. 4. Whenever the President finds that, as a result
7 of any trade agreement concession or obligation, any article
8 is being imported in such relatively increased quantities and
9 under such conditions as to cause or threaten serious injury
10 to domestic producers, he shall withdraw or modify the con-
11 cession, or suspend the obligation, in whole or in part, to
12 the extent and for such time as he finds necessary to prevent
13 such injury.”

14 At the end of the bill insert the following new section:

15 “SEC. 5. (a) There is hereby established a joint con-
16 gressional committee to be known as the Joint Committee
17 on the Trade Agreements Program (hereinafter referred to
18 as the “committee”), and to be composed of ————
19 Members of the House of Representatives, to be appointed
20 by the Speaker of the House of Representatives, and ————
21 Members of the Senate, to be appointed by the President
22 of the Senate. A vacancy in the membership of the com-
23 mittee shall not affect the powers of the remaining members
24 to execute the functions of the committee, and shall be filled
25 in the same manner as the original selection. The committee

1 shall select a chairman and a vice chairman from among
2 its members.

3 “(b) The committee, acting as a whole or by subcom-
4 mittee, shall conduct a thorough review and analysis of the
5 program under the Trade Agreements Act of 1934, as
6 amended and extended. The committee shall determine the
7 effect of the program on American industry (including
8 agriculture), trade, and commerce and its importance to the
9 foreign relations of the United States.

10 “(c) The committee shall report to the Senate and
11 House of Representatives not later than April 1, 1952, the
12 results of its study, together with such recommendations as to
13 necessary legislation and other recommendations as it may
14 deem advisable.

15 “(d) The committee, or any duly authorized subcom-
16 mittee thereof, is authorized to sit and act at such places and
17 times during the sessions, recesses, and adjourned periods of
18 the Congress, to require by subpoena or otherwise the attend-
19 ance of such witnesses and the production of such books,
20 papers, and documents, to administer such oaths, to take
21 such testimony, to procure such printing and binding, and
22 to make such expenditures, as it deems advisable.

23 “(e) The committee shall have power to employ and
24 fix the compensation of such officers, experts, and employees
25 as it deems necessary in the performance of its duties.

1 “(f) The expenses of the committee, which shall not
2 exceed \$, shall be paid one-half from the contingent
3 fund of the Senate and one-half from the contingent fund
4 of the House of Representatives upon vouchers signed by
5 the chairman. Disbursements to pay such expenses shall
6 be made by the Secretary of the Senate out of the con-
7 tingent fund of the Senate, such contingent fund to be
8 reimbursed from the contingent fund of the House of Rep-
9 resentatives in the amount of one-half of the disbursements
10 so made.”

82ND CONGRESS
1ST SESSION

H. R. 1612

AMENDMENTS

Intended to be proposed by Mr. Brewster to the bill (H. R. 1612) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

FEBRUARY 8 (legislative day, JANUARY 29), 1951
Referred to the Committee on Finance and ordered
to be printed

ment to the grade of lieutenant colonel, subject to qualification therefor as provided by law:

James F. Coady	Irving Schechter
John A. Hefti	Leonard G. Hicks
Ernest E. Codere	Warren S. Silverstsen
William R. Watson, Jr.	John E. Gorman
Joseph H. Griffith	George M. Chinn
George L. Shead	Henry W. Bransom
William H. Kennedy, Jr.	Blaine H. Baesler
Harold L. Oppenheimer	Edward J. McGee
Foster C. LaHue	Charles D. Gray
John J. Padley	Paul E. Bardet
James M. Joyner	Fred W. Haxton
Leo B. Case	Clarence C. Gordon
William J. Dickinson	James W. Dodson
	John A. Reeder
	Glen E. Martin

The following-named officer of the Marine Corps for permanent appointment to the grade of lieutenant colonel for limited duty, subject to qualification therefor as provided by law:

Kennard F. Bubler

The following-named women officers of the Marine Corps for permanent appointment to the grade of major, subject to qualification therefor as provided by law:

Helen J. McGraw
Barbara J. Bishop
Emma H. Hendrickson

The following-named officer of the Marine Corps for permanent appointment to the grade of captain for limited duty, subject to qualification therefor as provided by law:

James B. Seaton

The following-named officers of the Marine Corps for permanent appointment to the grade of first lieutenant for limited duty, subject to qualification therefor as provided by law:

Albert J. Assad
James L. McGuire

The following-named officers of the Marine Corps for permanent appointment to the grade of commissioned warrant officer, subject to qualification therefor as provided by law:

James H. Harrington	Ralph E. Johnson
Daryl G. Sheehan	Charles W. Keeton
George C. Hunter	Charles D. Pierce, Jr.
Ray W. Patterson	

POSTMASTERS

ALABAMA

Joseph H. Turner, Billingsley.
Baugh E. Kilgore, Bynum.
James B. Martin, Jr., Springville.

ALASKA

Clarence T. Larsen, Seward.

CONNECTICUT

Raymond J. Wamester, Middletown.
Francis C. Brennan, Milford.

GEORGIA

Sybil M. Vickers, Ambrose.
James L. Cauthen, Milner.

IDAHO

Jalma A. Riley, Ashton.

INDIANA

Kenneth D. Brunson, Alexandria.
Norman A. Richwine, Clermont.
Perry W. Foster, Vallonia.

KENTUCKY

Foster Ratliff, Lookout.
Charles B. Westerman, Pleasure Ridge Park.
Elmer H. Morrison, Wayland.

LOUISIANA

Robert G. Fitzgerrald, Oakdale.

MAINE

Rosalie P. Plante, Jackman Station.
Harland E. Johnson, Monson.
Joseph L. Cook, Portland.
Villa M. Snow, Pownal.
Dominick S. DeFilipp, Ridgelyville.
Leo N. Poirier, Van Buren.

MARYLAND

Manuel R. Diaz, Luke.

MICHIGAN

Leon D. Wallaker, Arcadia.
Hazel D. Harrison, Conklin.
William O. Kelly, Flint.
Stella A. Ritchie, New Troy.
Willet H. Schmidt, Port Austin.
Valentine R. Smith, Saugatuck.
William K. LaCombe, Trenary.
Russell K. Kilpatrick, Vermontville.

MONTANA

James Roy Cramer, Polson.
Ralph L. Benjamin, Shelby.

NORTH CAROLINA

Neva B. Wilkins, Butner.
Francis H. Powell, Ca-Vel.

NORTH DAKOTA

Elmer L. Schielke, McClusky.
Edward J. Sondag, Sykeston.

OHIO

Dory R. Swank, Butler.
Arnold T. Schoch, Coldwater.

Florence E. Gerty, Hamden.
Oliver C. Metzger, Strasburg.

OKLAHOMA

Frederick M. Shaw, Oklahoma City.

OREGON

Margaret E. Wirth, Adair Village.
Alice G. Kavanaugh, Manzanita.

RHODE ISLAND

Gianuario Spanedda, Georgiaville.

SOUTH CAROLINA

Troy J. Lynch, Coward.

SOUTH DAKOTA

Edward C. Hausmann, Bonesteel.

TEXAS

Willard E. Howell, Alvord.
Jack G. Holson, Bacliff.
Harry O. Lindeman, Bartlett.
Harold B. Manry, Corrigan.
James H. Breeding, Encinal.
Robert F. Henderson, Frost.
Grace W. Blanchard, Fullerton.
Elbert H. Brown, Hubbard.
Ruth V. Hestand, Keene.

VERMONT

George E. McCanna, Hardwick.

VIRGINIA

Fitzhugh L. Adams, Appalachia.

WYOMING

Oliver J. Colyer, Torrington.

WITHDRAWALS

Executive nominations withdrawn from the Senate February 12 (legislative day of January 29), 1951:

UNITED STATES COAST GUARD

The following personnel of the United States Coast Guard sent to the Senate on January 15, 1951:

Dwight H. Dexter	Martin Lentz, Jr.
Lewis H. Shackelford	Hamlett I. Allen
Edward W. Holtz	Michael J. Hoosick
Herbert F. Walsh	David H. Douglas
William W. Storey	Theron H. Gato
Edwin J. Roland	Edwin W. Coleman
Christian R. Couser	Robert S. Capp
Willard L. Jones	Leslie F. Cool
Robert N. Williams	John D. Roberts
Russell W. Thresher	Raymond J. Evans
William E. Schweizer	Scott P. Berryman
George F. Erwin	Willis G. Partridge
Wilfred Pantzer	Nelson W. Allen
Walter G. Davis	

House of Representatives

MONDAY, FEBRUARY 12, 1951

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O, Thou infinite and eternal God, we rejoice that in the annals of our national history we have the record of the life and character of many God-fearing souls who served their generation according to Thy holy will and of whose fame there will be no end.

We thank Thee for this day when we are privileged to call to mind and pay tribute to the memory of a great patriot in whose heart the fires of faith in God and man burned brightly and who placed his supreme confidence in the sanctity and abiding reality of the moral and spiritual order.

Grant that our beloved country may continue to have as its glorious aspiration and far-flung goal the coming of that blessed time when men everywhere shall walk together, unitedly and joyously, as brothers, on the highways of freedom and peace.

Hear us in the name of the Prince of Peace. Amen.

THE JOURNAL

The Journal of the proceedings of Thursday, February 8, 1951, was read and approved.

MESSAGE FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Hawks, one of his secretaries.

CORRECTION OF THE RECORD

Mr. MILLS. Mr. Speaker, on Wednesday last the House was considering the bill (H. R. 1612) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes. The gentleman from West Virginia [Mr. BAILEY] offered an amendment as a substitute for the amendment of the gentleman from Nebraska [Mr. CURTIS], the so-called escape-clause amendment. Mr. BAILEY's substitute appears in full on pages 1113 and 1114 of the Record of February 7, 1951. I made the point of order against that amendment on the ground that it was not germane and that point of order was sustained. The gentleman from West Virginia [Mr. BAILEY] then offered an amendment as a substitute for the amendment offered by the gentleman from Nebraska, containing the identical language of his first amendment with the exception of the heading which was altered to provide a specific amendment to section 350 of the Tariff Act of 1930, instead of adding merely a new section to the bill under consideration. This amendment was germane. However, in the reading of it, page 2 of the amend-

ment was misplaced. It was, I am informed, at the Clerk's desk. I am sure the Committee was aware that it was considering the language contained in the two pages of the Bailey amendment as originally offered. My friends on the other side of aisle accepted the amendment as a substitute to the amendment offered by the gentleman from Nebraska, and it was agreed to by the Committee of the Whole and subsequently by the House on a separate vote.

Permit me to read that part of the amendment which was read by the clerk, and then read the second page which was not read:

Amendment offered by Mr. BAILEY as a substitute for the amendment offered by Mr. CURTIS of Nebraska: Amend section 350 of the Tariff Act, as amended, by adding thereto the following subsections:

"SEC. 5. (a) If in the course of a trade agreement any product on which a concession has been granted is being imported into the territory of one of the contracting parties in such increased quantities or under such conditions as to cause or threaten serious injury to domestic producers in that territory of like or directly competitive products, the contracting parties shall be free, in respect of such product, and to the extent and for such time as may be necessary to prevent or remedy such injury, to suspend the concession in whole or in part, to withdraw or modify the concession or to establish import quotas.

"(b) Upon the request of the President, upon its own motion, or upon application of any interested party the United States Tariff Commission shall make an investigation to determine whether any article upon which a concession has been granted under a trade agreement to which a clause similar to that provided in subsection (a) of this section is applicable, is being imported under such relatively increased quantities or under such conditions as to cause or threaten serious injury to a domestic industry or a segment of such industry which produces a like or directly competitive article.

"In the course of any such investigation the Tariff Commission shall hold hearings, giving reasonable public notice thereof, and shall afford reasonable opportunity for parties interested to be present, to produce evidence, and to be heard at such hearings."

Now, Mr. Speaker, I read the second page of the amendment which should follow at the end of section 7 of the bill:

Should the Tariff Commission find, as the result of its investigation and hearings, that serious injury is being caused or threatened through the importation of the article in question, it shall recommend to the President the withdrawal or modification of the concession, its suspension in whole or in part, or the establishment of import quotas, to the extent and for such time as may be necessary to prevent or remedy such injury.

(c) When in the judgment of the Tariff Commission no sufficient reason exists for such a recommendation to the President it shall, after due investigation and hearings, make a finding in support of its denial of

the application, setting forth the facts which have led to such conclusion. This finding shall set forth the level of duty below which, in the Commission's judgment, serious injury would occur or threaten.

In arriving at a determination in the foregoing procedure the Tariff Commission shall deem a downward trend of production, employment, and wages in the domestic industry concerned, or a decline in sales and a higher or growing inventory attributable in part to import competition, to be evidence of serious injury or a threat thereof.

Mr. Speaker, after consultation with the gentleman from New York [Mr. REED] and the gentleman from Nebraska [Mr. CURTIS] I feel that in all fairness to the gentleman from West Virginia [Mr. BAILEY] a correction should be made in the proceedings of the House, and I now ask unanimous consent that the proceedings whereby the bill H. R. 1612 was passed be vacated and that the language of the amendment I have just read be agreed to in toto as an amendment to the bill at the point it was intended, section 7 of the bill.

THE SPEAKER. Is there objection to the request of the gentleman from Arkansas?

Mr. REED of New York. Mr. Speaker, reserving the right to object, I have been consulted on this matter; so has the gentleman from Nebraska [Mr. CURTIS] as the gentleman from Arkansas [Mr. MILLS] stated.

I do want to say this, however, for a very efficient reading clerk, that I saw the confusion of the many papers that were on his desk at the time this amendment was read, and I can readily understand how this mistake could have been made. I have no intention whatever of holding the reading clerk to blame.

Mr. MILLS. Mr. Speaker, I am not seeking to lay any blame at all, not for 1 minute, and what I have said and am saying is in no way to be construed as criticism of the clerk. It was not the fault of the clerk; it was just one of those errors that may occur when an amendment is presented to the clerk's desk consisting of two pages and the two pages are not attached.

Mr. REED of New York. I realize the gentleman was not making any such implication.

THE SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

THE SPEAKER. Without objection the proceedings whereby the House on February 7, 1951, ordered the bill H. R. 1612 engrossed, read a third time, and passed will be vacated. The amendment as read by the gentleman from Arkansas [Mr. MILLS] is agreed to and the bill will be considered as engrossed, read a

third time and passed, and a motion to reconsider laid on the table.

There was no objection.

COMMITTEE ON DISPOSITION OF EXECUTIVE PAPERS

The SPEAKER. Pursuant to the provisions of House Resolution 127, Eighty-second Congress, the Chair appoints as members of the Committee on Disposition of Executive Papers the following members of the House: Mr. GARMATZ, Maryland; Mr. BISHOP, Illinois.

NATIONAL FOREST RESERVATION COMMISSION

The SPEAKER. Pursuant to the provisions of title 16, section 513, United States Code, the Chair appoints as members of the National Forest Reservation Commission the following members on the part of the House: Mr. COLMER, Mississippi; Mr. D'EWART, Montana.

BOARD OF VISITORS TO UNITED STATES NAVAL ACADEMY

The SPEAKER. Pursuant to the provisions of Public Law 816, Eightieth Congress, the Chair appoints as Members of the Board of Visitors to the United States Naval Academy the following members on the part of House: Mr. BENTSEN, Texas; Mr. YATES, Illinois; Mr. WIGGLESWORTH, Massachusetts; Mr. MILLER, Maryland.

STUDY AND INVESTIGATION OF SMALL BUSINESS PROBLEMS

The SPEAKER. Pursuant to the provisions of House Resolution 33, Eighty-second Congress, the Chair appoints as members of the Select Committee To Conduct a Study and Investigation of the Problems of Small Business the following Members of the House: Mr. PATMAN, Texas, chairman; Mr. MANSFIELD, Montana; Mr. EVINS, Tennessee; Mr. BURTON, Virginia; Mr. MULTER, New York; Mr. McKINNON, California; Mr. HALLECK, Indiana; Mr. HILL, Colorado; Mr. RIEHLMAN, New York; Mr. SEELY-BROWN, Connecticut; Mr. CURTIS, Missouri.

SELECT COMMITTEE TO CONDUCT A STUDY AND INVESTIGATION OF THE EDUCATION AND TRAINING AND LOAN GUARANTY PROGRAMS OF WORLD WAR II VETERANS

The SPEAKER. Pursuant to the provisions of House Resolution 93, Eighty-second Congress, the Chair appoints as members of the Select Committee To Conduct a Study and Investigation of the Education and Training and Loan Guaranty Programs of World War II Veterans the following Members of the House: Mr. TEAGUE, Texas, chairman; Mr. ENGLE, California; Mr. EVINS, Tennessee; Mr. CHUDOFF, Pennsylvania; Mr. PATTEN, Arizona; Mr. WEICHEL, Ohio; Mr. BEALL, Maryland; Mr. Scudder, California; Mr. MORTON, Kentucky.

SELECT COMMITTEE TO CONDUCT AN INVESTIGATION AND STUDY OF THE USE OF CHEMICALS, PESTICIDES, AND INSECTICIDES IN AND WITH RESPECT TO FOOD PRODUCTS

The SPEAKER. Pursuant to the provisions of House Resolution 74, Eighty-second Congress, the Chair appoints as members of the Select Committee To

Conduct an Investigation and Study of the Use of Chemicals, Pesticides, and Insecticides in and With Respect to Food Products, and for other purposes, the following Members of the House: Mr. DELANEY, New York, chairman; Mr. ABERNETHY, Mississippi; Mr. HEDRICK, West Virginia; Mr. JONES, Missouri; Mr. MILLER, Nebraska; Mr. McDONOUGH, California; Mr. HORAN, Washington.

PERMISSION TO ADDRESS THE HOUSE

Mr. YORTY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

COMMUNIST PEACE COUNCIL

Mr. YORTY. Mr. Speaker, may I call the attention of the House to an attempt by the sneaking Communist traitors to use the proposal to draft 18-year-olds as a wedge to reach parents of young men with their propaganda designed to undermine the morale of our people for the benefit of the Kremlin-directed Communist conspiracy. I am in receipt of several petitions printed and circulated by the Southern California Peace Council. At the top in bold, black-faced type, they say, "I didn't raise my boy to be a soldier." This is followed by the usual Communist propaganda, and at the bottom the petition is addressed to the Congress and has room for only four signatures above the printed words "Southern California Peace Council, 326 West Third Street, Los Angeles 13, Calif."

The Communists are, of course, fully cognizant of the fact that many good citizens are concerned, as we all are, over the necessity of requiring our young men to spend considerable time in the Armed Forces. They are seeking to capitalize upon this concern by using it as a pretense to contact as many citizens as possible in order to spread their propaganda calculated to destroy faith in our Government, weaken our Armed Forces, and our determination to resist the aggression plotted by the imperialists in the Kremlin. We can see the propaganda on the petitions, but we know not what lies the Communists used to obtain the signatures. We can well imagine that those who signed will be indexed and catalogued for future softening up by the Communists.

Before coming here from Los Angeles, I received first a telegram and then a mimeographed letter from this so-called Peace Council. The communications denounced the draft and universal military training. They claimed that these proposals emanated from a Nazi general, and were so obviously the product of the Communist Party that I immediately forwarded them to the Federal Bureau of Investigation. At the same time, I sent an investigator to the address of the so-called Peace Council. He found there only a locked door with a paper on the outside, and the name "Southern California Peace Council" written on the paper. Apparently, this Communist brainchild was hastily conceived, and the nefarious propaganda was considered so

important to the Communists that they started spewing it out before they had time to give their infant "front" organization even the outward appearance of legitimacy.

I am bringing this matter to the attention of the House because similar fake peace councils may be operating in other areas, at least it is a fair guess that if they are not, they soon will be; and the great, free American press, which effectively exposed the Stockholm Peace Petition, will render another service to the people by warning them not to be induced by the Communists into signing petitions that are not directed to the Congress in good faith by the instigators of the scheme, but are rather another attempt by the Communist traitors to make dupes of well-intentioned persons who for their own reasons are opposed to universal military training or the drafting of 18-year-olds. The Communists are, of course, against any American preparedness of any kind. They would like to see us weak and Russia strong. They would like to see us completely disarmed and the Communists fully armed. They have no objection to universal military training or the drafting of 18-year-olds by the Russian Red Fascists. They will not hesitate to capitalize on the slightest doubts of any of our citizens, or our sincere desire for peace, to try to convince us that we need only to lie down meekly like a good, little lamb, and we will be safe. Safe, of course, in fact, for them to slaughter. These phony peace councils must be exposed, and I hope the Attorney General will place them on the subversive list, where I am sure they belong, so that our press can tell the truth about this latest tactic of the agents of the enemy operating within our Nation.

I DIDN'T RAISE MY BOY TO BE A SOLDIER

The plan to draft 18-year-olds for 27 months of universal military service would affect every family in America.

We who are mothers desire peace, security, happiness for our children. We did not raise them to go to war.

We who are fathers fought in two wars which were supposed to bring peace and security to our children. We don't want them to go to war.

We who are young demand the right to live in the world our mothers desire, for which our fathers fought—a world of peace, of jobs, careers, marriage.

We who are children want no more bomb drills, no more fear. We want a world of hope and peace.

A little war in Korea has solved no problem in the world. It has added to all problems. A bigger Army, a bigger war, is not a better answer. Peace can be won only through honest negotiations by heads of state.

We can stop plans for the 27-month draft, a bigger Army, a bigger war, we can speak and we can sign for peace.

Your voice, your signature, can stop the 27-month draft, can stop war, can bring peace. Sign this petition. Ask your neighbors to sign, and forward it to your Congressman.

To the Congress of the United States:

We petition you to act for peace—not war. Defeat all plans for the 27-month draft of our youth for universal military service.

Name..... Address..... City.....

SOUTHERN CALIFORNIA

PEACE COUNCIL,

326 West Third Street, Los Angeles, Calif.

SPECIAL ORDER GRANTED

Mr. McCARTHY asked and was given permission to address the House for 15 minutes on Tuesday next, following the legislative program and any special orders heretofore entered.

PERMISSION TO ADDRESS THE HOUSE

Mr. ROGERS of Florida. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

ESTABLISHMENT OF AN ARMED FORCES TRAINING PROGRAM

Mr. ROGERS of Florida. Mr. Speaker, I am today introducing a bill to provide for the creation of a students' Armed Forces training program and for other purposes.

The primary purpose of this bill is to establish an Armed Forces training program which will utilize the existing plants and facilities of schools and colleges to the fullest extent practicable in providing preliminary military training—as well as technical, specialized, and other scientific training—to persons serving in the armed forces. Many schools and colleges possess plants and facilities today which are well adapted and can be made readily available for such training. The establishment of this program will substantially benefit the Government by eliminating the necessity and expense of constructing and maintaining numerous training camps, and will in addition enable many schools and colleges to continue to function under conditions which, by reason of the service of students in the Armed Forces, might otherwise force their closing.

In order to carry out the stated purpose of the bill, the Secretary of Defense is directed in general terms to create a Students' Armed Forces Training Corps, to establish units of the corps at schools and colleges which meet the requirements laid down by him, and to provide by regulations for its organization, operation, and administration. The admission standards and courses of instruction are to be prescribed by the Secretary, with one exception: It is specifically provided that if 18-year-olds are inducted they must be given preliminary training in units of the corps for at least a full academic year before being assigned to other duty.

The Students' Armed Forces Training Corps is to be patterned as closely as possible after the Students' Army Training Corps created during World War I by order of the War Department. The Students' Army Training Corps program of World War I was initiated by placing certain colleges under military control on a contract basis, enlisting the students, and continuing them in regular army status with full pay. Vacancies subsequently occurring were filled by the colleges themselves on the basis of examinations and aptitude tests devised by the Army, and a central clearance arrangement made the surplus of one institution available for units at other institutions. During the brief pe-

riod of its existence, about 10,000 members of the Students' Army Training Corps were transferred to various branches of the Armed Forces for active duty, and the program was universally considered a valuable and promising one.

Since under this bill the inclusion in the corps of all 18-year-old inductees is mandatory, it is not contemplated that the Students' Armed Forces Training Corps can be an exact replica of its World War I model. However, the basic organizational structure of the Students' Army Training Corps and the experience gained in its establishment and operation should prove to be of great value in providing for its present-day successor.

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

[Mr. RANKIN addressed the House. His remarks will appear hereafter in the Appendix.]

SPECIAL ORDERS GRANTED

Mr. DENNY (at the request of Mr. GRAHAM) was given permission to address the House today for 5 minutes, following any special orders heretofore entered.

Mr. MASON asked and was given permission to address the House on Monday next for 30 minutes, at the conclusion of the legislative program of the day and following any special orders heretofore entered.

Mr. BUSBEY asked and was given permission to address the House today for 30 minutes, following any special orders heretofore entered.

Mr. CUNNINGHAM asked and was given permission to address the House for 5 minutes on Wednesday next, at the conclusion of the legislative program of the day and following any special orders heretofore entered.

PERMISSION TO ADDRESS THE HOUSE

Mr. MASON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

TASK CONFRONTING OUR GOVERNMENT

Mr. MASON. Mr. Speaker, as the chairman of the Illinois Republican delegation in Congress and as a Representative from the great State of Abraham Lincoln, I feel it incumbent upon me to say that the great task that lies before the Nation today is the task of changing the present government in Washington from a government of the bureaucrats, by the bureaucrats, and for the bureaucrats, into the kind of government that Lincoln was talking about when he defined our Government as a government of the people, by the people, and for the people. That is the great task that confronts this Congress

today. May God give us the strength, the courage, and the fortitude to carry out that task.

READING OF GEORGE WASHINGTON'S FAREWELL ADDRESS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that on Thursday, February 22, 1951, Washington's Farewell Address may be read by a Member to be designated by the Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and include a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

NATIONAL GUARD MEN

Mr. McCORMACK. Mr. Speaker, it has recently been brought to my attention that members of the National Guard in many States are disturbed and irritated and this bitterness arises from the uncertainty of their position, but chiefly because private employers are denying increases in pay and promotion to National Guard men, using the excuse that these employees will soon be called into active service, and therefore will not be available for civilian work.

It is needless for me to point out that the morale of our National Guard troops is of vital importance to the welfare of our country. The National Guard constitutes the greatest organized force of trained troops we have in this country, many of them veterans of the last war, and they would constitute an important part of our first line of defense in the event of conflict.

To deny these men earned pay increases or promotions in their daily work because of selfish reasons, is in my opinion indefensible, in fact, despicable. In a sense, it is sabotage of our defense effort. It should bring down on the heads of such employers righteous anger and contempt.

Of what value are National Guard men or other men called into service whose enthusiastic belief in our American system of private enterprise has been destroyed or impaired even before they reach the fighting line. If they are not fighting for their employers as well as their country, themselves, and their families, who are they fighting for?

It does not seem possible to me that there can be many such American business or professional men, so irresponsible, so selfish, and so unpatriotic, as to penalize these volunteers for performing their patriotic duty.

Those who employ members of the National Guard or other young men about to be called into service should recognize that these employees are the representatives of their employers and the companies for which they work on the fighting line, and they should help carry the rifles and equipment these men expect to carry into battle by honoring them,

14. **TRADE AGREEMENTS.** On the unanimous-consent request of Rep. Mills, Ark., vacated the proceedings on the passage of H. R. 1612, the trade-agreements extension bill, corrected an error in the so-called escape clause amendments, and again passed the bill (pp. 1272-3).
15. **ELECTRIFICATION.** Received from the Interior Department a proposed bill to "consolidate the Parker Dam power project and the Davis Dam project"; to Interior and Insular Affairs Committee (p. 1284).
16. **FLOOD CONTROL.** Received from the Army Engineers a report on a preliminary examination of Saganing River and tributaries, Mich., for flood control; to Public Works Committee (p. 1284).
17. **PERSONNEL.** Rep. Busbey, Ill., criticized the activities of the Loyalty Review Board and claimed that the Board would not have been necessary "if the Commissioners of the United States Civil Service Commission had fulfilled their obligations under the law and taken proper and adequate measures against those they knew to be disloyal to our country" (pp. 1276-7).
18. **PRICE CONTROLS.** Received a Boston Council memorial favoring the roll back of prices to the July 1, 1950 level (p. 1286).

BILLS INTRODUCED

19. **FORESTRY.** S. J. Res. 32, by Sen. Morse, to provide for a suitable and adequate program for a system of timber access roads to and in the forests of the U. S.; to Agriculture and Forestry Committee (p. 1224).
20. **AGRICULTURAL ACT.** H. R. 2561, by Rep. Howell, N. J., to amend the act of Oct. 31, 1949 (Public Law 439), the Agricultural Act of 1949; to Agriculture Committee (p. 1285).
21. **TOBACCO.** H. R. 2554, by Rep. Abbitt, Va., to amend the tobacco marketing quota provisions of the Agricultural Adjustment Act of 1933; to Agriculture Committee (p. 1285).
22. **LOANS.** H. R. 2560, by Rep. Holifield, Calif., to amend the RFC Act to prohibit the employment of certain personnel of the Corporation by organizations receiving loans or other financial assistance therefrom; to Banking and Currency Committee (p. 1285).
23. **PURCHASING.** H. R. 2574, by Rep. Hardy, Va., to amend section 304 of the Federal Property and Administrative Services Act (regarding negotiated contracts), and section 4 of the Armed Services Procurement Act of 1947; to Expenditures in Executive Departments Committee (pp. 1285-6).
24. **WATER UTILIZATION.** H. J. Res. 160, by Rep. Holifield, Calif., granting consent of Congress for joinder of the U. S. in suits in the Supreme Court for adjudication of claims to waters of the Colorado River; to Judiciary Committee (p. 1286).
25. **EXPENDITURES.** H. Con. Res. 58, by Rep. Battle, Ala., for the promotion of the greatest possible efficiency and economy in executive branch of the Government and reduction of nondefense expenditures to absolute minimum; to Expenditures in Executive Departments Committee (p. 1286).

26. LEGISLATIVE REORGANIZATION. H. Con. Res. 60, by Rep. Holifield, Calif., creating a select committee to conduct an investigation and study of the Organization of Congress; To Rules Committee (p. 1286).
27. PERSONNEL. H. R. 2575, by Rep. Klein, N. Y., to amend the Civil Service Retirement Act to exempt from taxation annuities of retired employees; to Post Office and Civil Service Committee (p. 1286).

ITEMS IN APPENDIX

28. PRICES. Rep. Bryson, S. C., inserted a U. S. News and World Report article comparing 1939 prices with prices of today (p. A764).
Rep. Machrowicz, Mich., inserted 2 articles "protesting the freezing of commodities at the highest price level" (p. A734).
29. PRICE CONTROLS. Sen. Thye inserted a Minnesota Livestock Breeders' Assn. statement discussing price ceilings and rationing for livestock (pp. A751-2).
30. FOREIGN AID. Rep. Howell, W. J., inserted an India News Bulletin article favoring the shipment of wheat to India (pp. A738-9).
31. FARM LOANS. Rep. Jones, Ala., inserted a Florence (Ala.) Times article discussing how "the Farm Housing Act of 1949 increased the food production possibilities of the farmers" (pp. A742-3).
32. ST. LAWRENCE SEAWAY. Various articles and insertions opposing and favoring this project (pp. A740, A743-4, A753-6).

COMMITTEE HEARINGS Released by G.P.O.

33. CONTRACT RENEGOTIATION. H. R. 1704, to provide for the renegotiation of contracts. S. Finance Committee.
34. SMALL BUSINESS. Impact on small business of material shortages. S. Small Business Committee.
35. BUILDINGS. S. 218, dispersal of Federal buildings. S. Public Works Committee.

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COMMITTEE HEARINGS ANNOUNCEMENTS for Feb. 13: H. Appropriations, Agriculture appropriations (ex.); S. Armed Services, manpower program (ex.); S. Banking and Currency, defense housing; S. Interior and Insular Affairs, stockpiling of strategic materials (ex.); and Joint Committee on Defense production, defense mobilization (ex.).

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For supplemental information and copies of legislative material referred to, call Ext. 4654, or send to Room 105 Adm.

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82^D CONGRESS
1ST SESSION

H. R. 1612

IN THE SENATE OF THE UNITED STATES

FEBRUARY 12 (legislative day, JANUARY 29), 1951

Read twice and referred to the Committee on Finance

AN ACT

To extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Trade Agreements
4 Extension Act of 1951".

5 SEC. 2. The period during which the President is au-
6 thorized to enter into foreign-trade agreements under section
7 350 of the Tariff Act of 1930, as amended and extended,
8 is hereby extended for a further period of three years from
9 June 12, 1951.

1 SEC. 3. (a) Before entering into negotiations concern-
2 ing any proposed foreign trade agreement under section 350
3 of the Tariff Act of 1930, as amended, the President shall
4 furnish the United States Tariff Commission (hereinafter
5 in this Act referred to as the "Commission") with a list of
6 all articles imported into the United States to be considered
7 for possible modification of duties and other import restric-
8 tions, imposition of additional import restrictions, or con-
9 tinuance of existing customs or excise treatment. Upon re-
10 ceipt of such list the Commission shall make an investigation
11 and report to the President the findings of the Commission
12 with respect to each such article as to (1) the limit to which
13 such modification, imposition, or continuance may be ex-
14 tended in order to carry out the purpose of such section 350
15 without causing or threatening serious injury to the domestic
16 industry producing like or directly competitive articles; and
17 (2) if increases in duties or additional import restrictions
18 are required to avoid serious injury to the domestic industry
19 producing like or directly competitive articles the minimum
20 increases in duties or additional import restrictions required.
21 Such report shall be made by the Commission to the Presi-
22 dent not later than 120 days after the receipt of such list
23 by the Commission. No such foreign trade agreement shall
24 be entered into until the Commission has made its report to
25 the President or until the expiration of the 120-day period.

1 (b) In the course of any investigation pursuant to this
2 section the Commission shall hold hearings and give reason-
3 able public notice thereof, and shall afford reasonable oppor-
4 tunity for parties interested to be present, to produce evidence,
5 and to be heard at such hearings.

6 (c) Section 4 of the Act entitled "An Act to amend
7 the Tariff Act of 1930", approved June 12, 1934, as
8 amended (19 U. S. C., sec. 1354), is hereby amended by
9 striking out the matter following the semicolon and inserting
10 in lieu thereof the following: "and before concluding such
11 agreement the President shall request the Tariff Commis-
12 sion to make the investigation and report provided for by
13 section 3 of the Trade Agreements Extension Act of 1951,
14 and shall seek information and advice with respect to such
15 agreement from the Departments of State, Agriculture,
16 Commerce, and Defense, and from such other sources as
17 he may deem appropriate."

18 SEC. 4. The Commission shall furnish facts, statistics,
19 and other information at its command to officers and em-
20 ployees of the United States preparing for or participating
21 in the negotiation of any foreign trade agreement; but
22 neither the Commission nor any member, officer, or employee
23 of the Commission shall participate in any manner (except
24 to report findings, as provided in section 3 of this Act and
25 to furnish facts, statistics, and other information as required

1 by this section) in the making of decisions with respect to
2 the proposed terms of any foreign trade agreement or in the
3 negotiation of any such agreement.

4 SEC. 5. (a) Within thirty days after any trade agree-
5 ment under section 350 of the Tariff Act of 1930, as
6 amended, has been entered into which, when effective, will
7 (1) require or make appropriate any modification of duties
8 or other import restrictions, the imposition of additional
9 import restrictions, or the continuance of existing customs
10 or excise treatment, which modification, imposition, or con-
11 tinuance will exceed the limit to which such modification,
12 imposition, or continuance may be extended without
13 causing or threatening serious injury to the domestic
14 industry producing like or directly competitive articles
15 as found and reported by the Tariff Commission under
16 section 3, or (2) fail to require or make appropriate
17 the minimum increase in duty or additional import restric-
18 tions required to avoid such injury, the President shall
19 transmit to Congress a copy of such agreement together with
20 a message accurately identifying the article with respect
21 to which such limits or minimum requirements are not com-
22 plied with, and stating his reasons for the action taken with
23 respect to such article. If either the Senate or the House of
24 Representatives, or both, are not in session at the time of
25 such transmission, such agreement and message shall be filed

1 with the Secretary of the Senate or the Clerk of the House
2 of Representatives, or both, as the case may be.

3 (b) Promptly after the President has transmitted such
4 foreign trade agreement to Congress the Commission shall
5 deposit with the Committee on Ways and Means of the
6 House of Representatives, and the Committee on Finance
7 of the Senate, a copy of the portions of its report to the
8 President dealing with the articles with respect to which
9 such limits or minimum requirements are not complied with.

10 SEC. 6. As soon as practicable, but not more than ninety
11 days after enactment of this Act, the President shall take
12 such action as is necessary to withdraw or prevent the appli-
13 cation of reduced tariffs or other concessions (including the
14 binding of an article on the free list) contained in any trade
15 agreement hereafter entered into under authority of section
16 350 of the Tariff Act of 1930, as amended and extended, to
17 imports from the Union of Soviet Socialist Republics and to
18 imports from any nation or area thereof which the President
19 deems to be dominated or controlled by the foreign govern-
20 ment or foreign organization controlling the world Commu-
21 nist movement.

22 SEC. 7. (a) If in the course of a trade agreement any
23 product on which a concession has been granted is being
24 imported into the territory of one of the contracting parties in
25 such increased quantities or under such conditions as to cause

1 or threaten serious injury to domestic producers in that terri-
2 tory of like or directly competitive products, the contracting
3 parties shall be free, in respect of such product, and to the
4 extent and for such time as may be necessary to prevent or
5 remedy such injury, to suspend the concession in whole or
6 in part, to withdraw or modify the concession or to establish
7 import quotas.

8 (b) Upon the request of the President, upon its own
9 motion, or upon application of any interested party the
10 United States Tariff Commission shall make an investigation
11 to determine whether any article upon which a concession
12 has been granted under a trade agreement to which a clause
13 similar to that provided in subsection (a) of this section is
14 applicable, is being imported under such relatively increased
15 quantities or under such conditions as to cause or threaten
16 serious injury to a domestic industry or a segment of such
17 industry which produces a like or directly competitive article.

18 In the course of any such investigation the Tariff Com-
19 mission shall hold hearings, giving reasonable public notice
20 thereof, and shall afford reasonable opportunity for parties
21 interested to be present, to produce evidence, and to be heard
22 at such hearings.

23 Should the Tariff Commission find, as the result of its
24 investigation and hearings, that serious injury is being caused
25 or threatened through the importation of the article in ques-

1 tion, it shall recommend to the President, the withdrawal
2 or modification of the concession, its suspension in whole or
3 in part, or the establishment of import quotas, to the extent
4 and for such time as may be necessary to prevent or remedy
5 such injury.

6 (c) When in the judgment of the Tariff Commission no
7 sufficient reason exists for such a recommendation to the
8 President it shall, after due investigation and hearings, make
9 a finding in support of its denial of the application, setting
10 forth the facts which have led to such conclusion. This find-
11 ing shall set forth the level of duty below which, in the Com-
12 mission's judgment, serious injury would occur or threaten.

13 In arriving at a determination in the foregoing procedure
14 the Tariff Commission shall deem a downward trend of
15 production, employment and wages in the domestic industry
16 concerned, or a decline in sales and a higher or growing
17 inventory attributable in part to import competition, to be
18 evidence of serious injury or a threat thereof.

19 SEC. 8. Section 350 of the Tariff Act of 1930, as
20 amended, is hereby amended by adding at the end thereof
21 the following new subsection:

22 “(e) No reduced tariff or other concession resulting from
23 a trade agreement entered into under this section shall apply
24 with respect to any agricultural commodity for which price
25 support is available to producers in the United States unless

1 the sales prices (as determined from time to time by the
2 Secretary of Agriculture) for the imported agricultural com-
3 modity within the United States after the application of
4 such reduced tariff or other concession exceed the level of
5 such price support."

Passed the House of Representatives February 12, 1951.

Attest:

RALPH R. ROBERTS,

Clerk.



AN ACT

To extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

FEBRUARY 12 (legislative day, JANUARY 29), 1951

Read twice and referred to the Committee on Finance

82D CONGRESS
1ST SESSION

H. R. 1612

IN THE SENATE OF THE UNITED STATES

MARCH 12, 1951

Referred to the Committee on Finance and ordered to be printed

AMENDMENT

Intended to be proposed by Mr. MAGNUSON to the bill (H. R. 1612) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, viz: On page 8, line 5, insert the following:

1 SEC. 9. (a) Whenever the Secretary of Agriculture
2 has reason to believe that any article or articles are being
3 or are practically certain to be imported into the United
4 States under such conditions and in such quantities as to
5 render or tend to render ineffective, or materially interfere
6 with, any program or operation undertaken under this title
7 or the Soil Conservation and Domestic Allotment Act, as
8 amended, or section 32, Public Law Numbered 320, Seventy-
9 fourth Congress, approved August 24, 1935, as amended, or

1 any loan, purchase, or other program or operation under-
2 taken by the Department of Agriculture, or any agency
3 operating under its direction, with respect to any agricultural
4 commodity or product thereof, or to reduce substantially the
5 amount of any product processed in the United States from
6 any agricultural commodity or product thereof with respect
7 to which any such program or operation is being undertaken,
8 he shall cause, on his own motion or on the motion of inter-
9 ested producers or processors, an immediate investigation to
10 be made by the appropriate officer or agency of the United
11 States Department of Agriculture responsible for the admin-
12 istration of the affected program, which shall give precedence
13 to investigations under this section to determine such facts.
14 Such investigation shall be made after due notice and op-
15 portunity for hearing to interested parties, and shall be
16 conducted subject to such regulations as the Secretary of
17 Agriculture shall specify.

18 (b) If, on the basis of such investigation and report
19 to him of findings and recommendations made in connection
20 therewith, the Secretary of Agriculture finds the existence
21 of such facts, he shall certify to the President such facts and
22 the President shall by proclamation impose such fees not in
23 excess of 50 per centum ad valorem of such quantitative
24 limitations on any article or articles which may be entered,
25 or withdrawn from warehouse, for consumption as he finds

1 and declares shown by such investigation to be necessary in
2 order that the entry of such article or articles will not render
3 or tend to render ineffective, or materially interfere with,
4 any program or operation referred to in subsection (a), of
5 this section, or reduce substantially the amount of any prod-
6 uct processed in the United States from any such agricul-
7 tural commodity or product thereof with respect to which any
8 such program or operation is being undertaken: *Provided*,
9 That no proclamation under this section shall impose any
10 limitation on the total quantity of any article or articles which
11 may be entered, or withdrawn from warehouse, for consump-
12 tion which reduces such permissible total quantity to pro-
13 portionately less than 50 per centum of the total quantity of
14 such article or articles which was entered, or withdrawn
15 from warehouse, for consumption during a representative
16 period as determined by the Secretary of Agriculture: *And*
17 *provided further*, That in designating any article or articles,
18 the Secretary of Agriculture may describe them by physical
19 qualities, value, use, or upon such other bases as he shall
20 determine.

21 (c) The fees and limitations imposed by the President
22 by proclamation under this section and any revocation, sus-
23 pension, or modification thereof, shall become effective on
24 such date as shall be therein specified, and such fees shall be
25 treated for administrative purposes and for the purposes of

1 section 32 of Public Law Numbered 320, Seventy-fourth
2 Congress, approved August 24, 1935, as amended, as duties
3 imposed by the Tariff Act of 1930, but such fees shall not
4 be considered as duties for the purpose of granting any pref-
5 erential concession under any international obligation of the
6 United States.

7 (d) After investigation, report, finding, and declara-
8 tion in the manner provided in the case of a proclamation
9 issued pursuant to subsection (b) of this section, any pro-
10 clamation or provision of such proclamation may be suspended
11 or terminated by the President whenever the Secretary of
12 Agriculture finds and certifies to the President that the cir-
13 cumstances requiring the proclamation or provision thereof
14 no longer exist or may be modified by the President whenever
15 the Secretary of Agriculture finds and certifies to the Presi-
16 dent that changed circumstances require such modification
17 to carry out the purposes of this section.

18 (e) Any decision, finding, or certification of facts and
19 required fees or quantitative limitations of the Secretary of
20 Agriculture under this section shall be final.

21 (f) No international agreement hereafter shall be en-
22 tered into by the United States, or renewed, extended, or

1 allowed to extend beyond its permissible termination date in
2 contravention of this section.

3 (g) Section 22 of the Agricultural Adjustment Act, as
4 amended (U. S. C., title 7, sec. 624), is hereby repealed.

82ND CONGRESS
1ST Session

H. R. 1612

AMENDMENT

Intended to be proposed by Mr. Macnorton to the bill (H. R. 1612) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

MARCH 12, 1951

Referred to the Committee on Finance and ordered
to be printed

Apr. 12

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D I G E S T
OF
CONGRESSIONAL PROCEEDINGS
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Division of Legislative Reports
(For Department staff only)

Issued Apr. 13, 1951
For actions of Apr. 12, 1951
32nd-1st, No. 66

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HIGHLIGHTS: Sen. Aiken discussed inflation controls and opposed "freezing" of parity for farm commodities. House committee reported export-control bill. Rep. Dawson introduced bills to carry out Hoover Commission recommendations, including USDA reorganization. House debated military-training bill. President approved peanut bill.

HOUSE

1. **MILITARY TRAINING.** Continued debate on S. 1, the military training and service bill. Rejected, 140-232, the Barden amendment which would continue the draft with no provision for universal military training. (pp. 3860-902.)
2. **EXPORT CONTROL.** The Banking and Currency Committee reported without amendment H. J. Res. 197, to continue export-control authority through June 30, 1953 (H. Rept. 318)(p. 3913).
3. **INDIA AID.** Rep. Heller, N. Y., spoke in favor of shipment of wheat to India (p. 3907).

SENATE

4. **INFLATION CONTROLS.** Sen. Aiken discussed means of controlling inflation, recommending stricter credit controls, reduction in nonessential Government expenditures, increased taxes, and encouragement of investment by individuals in Government bonds. Sen. Aiken also opposed the "freezing of parity for farm commodities," and said that farmers "are afraid to plant this spring for fear that the price will be rolled back on them when the crop is ready to sell." (pp. 3842-4)
5. **R.F.C.** Began debate on S. Res. 76, to disapprove Reorganization Plan No. 1, regarding RFC (pp. 3819-20, 3830-5, 3839-40, 3844-51).
6. **RESEARCH LANDS.** Sen. Morse moved to reconsider the vote by which the Senate passed S. 271, which authorizes the transfer of a tract of land used for research in horse breeding to the Vermont Agricultural College, for agricultural purposes (p. 3819).
7. **FARM ORGANIZATION.** Sen. Butler, Mebr., inserted a Washington Daily News article

claiming that President Truman snubbed Allan B. Kline, president of the Farm Bureau, by not appointing him to the Mobilization Policy Advisory Board (p. 3852).

8. **NOMINATIONS.** The Interior and Insular Affairs Committee reported favorably the nomination of Richard D. Searles to be Under Secretary of Interior, and the Interstate and Foreign Commerce Committee reported favorably the nomination of Delos W. Rantzel to be Under Secretary of Commerce for Transportation (p. 3853). Confirmed the nomination of John L. Rogers to be an Interstate Commerce Commissioner (p. 3854).
9. **INDIA AID.** Sen. Wiley inserted a Business and Professional Women's Club (River Falls, Wis.) resolution favoring the shipment of grain to India (p. 3815).
10. **FOREIGN TRADE.** Sen. Holland submitted an amendment he intends to propose to H. R. 1612, to extend the Trade Agreements Act (pp. 3816-7).
11. **FARM LABOR.** S. 984 as reported (see Digest 65), amends the Agricultural Act of 1949 so as to authorize the Labor Department to recruit farm workers from Mexico to relieve the farm labor shortage in the U. S. The farmers would be required to reimburse the U. S. up to \$20 per worker for expenses for transportation and subsistence of such workers and could arrange for such employment through associations or groups. The bill also provides that its provisions shall not be construed as limiting the authority of the Attorney General to permit the importation of aliens of any nationality for agricultural employment.
12. **BUILDINGS DISPERSAL.** S. 218 as reported (see Digest 65), authorizes GSA to construct 4 buildings outside of, but in the vicinity of D. C., for the accommodation of Government activities. Three of the buildings would be on sites to be acquired, and 1 on part of the site of the Agricultural Research Center, Beltsville, Md., and each would be designed to accommodate 5,000 employees. Directs GSA to demolish temporary buildings built in D. C. prior to and during War II as soon as space can be provided elsewhere. Authorizes GSA to assign and reassign space to executive agencies in and outside of D. C., and to provide for the transfer of not less than 25,000 positions from D. C. and its immediate vicinity. All executive agencies are directed to cooperate with GSA in carrying out the project. Authorizes appropriation of \$107,000,000 to carry out the provisions regarding the construction and demolition of buildings. And provides for the establishment of a Joint Congressional Committee on Dispersal, Demolition, and Decentralization composed of ten members, 5 from the S. Public Works Committee and 5 from the House Public Works Committee.
- BILLS INTRODUCED**
13. **REORGANIZATION.** Rep. Dawson, Ill., introduced the following bills to carry out the recommendations of the Hoover Commission: (The bills were referred to the Expenditures in Executive Departments Committee unless otherwise indicated.)
- H. R. 3684, reorganization of the Department of Agriculture; to Agriculture Committee (p. 3914).
 - H. R. 3674, to establish principles and policies to govern generally the management of the executive branch. (p. 3913).
 - H. R. 3675, separation of subsidy from air-mail pay; to Interstate and Foreign Commerce Committee (p. 3913).
 - H. R. 3676, to place in GSA various activities in D. C. (p. 3913).
 - H. R. 3677, creating a Veterans' Insurance Corporation; to Veterans' Affairs Committee (p. 3913).

82D CONGRESS
1ST SESSION

H. R. 1612

IN THE SENATE OF THE UNITED STATES

APRIL 12 (legislative day, MARCH 26), 1951

Referred to the Committee on Finance and ordered to be printed

AMENDMENT

Intended to be proposed by Mr. HOLLAND to the bill (H. R. 1612) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, viz: At the end of the bill insert the following new section:

1 SEC. . (a) Whenever, upon the recommendation of
2 the Secretary of Agriculture, the President has reason to
3 believe that any one or more perishable fruits or vegetables
4 are being or are practically certain to be imported into the
5 United States under such conditions or in such quantities as
6 to materially interfere with the orderly marketing of such
7 commodity or commodities in the United States, he shall
8 establish such import quotas on any such commodity as he

1 may find necessary to provide for the orderly marketing of
2 such commodity in the United States. Such quotas shall be
3 established on a daily, weekly, monthly, quarterly, or yearly
4 basis, as may be advisable in the case of each respective
5 commodity.

6 (b) Any such quota shall be fixed at a point calculated
7 to maintain the price received by the American producer at
8 the parity level, and may be adjusted from time to time, upon
9 the recommendation of the Secretary of Agriculture, with a
10 view to maintaining the parity price.

11 (c) In the preparation of his recommendations to the
12 President the Secretary of Agriculture shall consult domestic
13 producers and such representatives of foreign producers as
14 he may deem to be of assistance in the formulation of
15 mutually advantageous regulations.

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AMENDMENT

Intended to be proposed by Mr. HOLLAND to the bill (H. R. 1612) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

APRIL 12 (legislative day, March 26), 1951
Referred to the Committee on Finance and ordered
to be printed

Apr. 17



DIGEST

OF

CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Division of Legislative Reports
(For Department staff only)

Issued Apr. 18, 1951
For actions of Apr. 17, 1951
82nd-1st, No. 69

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HIGHLIGHTS: House passed export-control continuation measure. Rep. Tackett criticized public power projects, but defended REA cooperatives. H. passed and S. acted on bills to transfer Morgan Horse Farm to Vt. College. Sen. Byrd submitted measure to provide for consolidated appropriation bill. Senate made dispersal bill unfinished business and sent military training bill to conference. Sen. Ellender inserted his recent farm speech.

HOUSE

1. **EXPORT CONTROL.** Passed without amendment H. J. Res. 197, to continue export-control authority through June 1953 (pp. 4106).
2. **RESEARCH LANDS.** Passed as reported H. R. 1149, to authorize transfer to the Vermont Agricultural College of a tract of land formerly used by the Remount Service (pp. 4096-7).
3. **MONOPOLIES.** Passed without amendment H. R. 2401, to increase criminal penalties under the Sherman Antitrust Act (pp. 4094-5).
4. **LABOR-FEDERAL SECURITY APPROPRIATION BILL.** Began debate on this bill, H. R. 3709. Completed general debate. The bill is to be read for amendment today. (pp. 4114-24.)
5. **RURAL ELECTRIFICATION.** Rep. Tackett, Ark., criticized Rep. Rankin's recent remarks about privately owned utility companies and objected to various public-power projects. However, he defended REA cooperatives and said they were not publicly owned. (pp. 4124-7.)
6. **LATIN AMERICA.** Several members spoke in commemoration of Pan-American Day (pp. 4107-14).
7. **PROPERTY MANAGEMENT.** Received from the Budget Bureau a report on the reassignment and transfer of property within executive agencies where two appropriations are involved in the action; to Expenditures in the Executive Departments Committee (p. 4128).

SENATE

8. **MILITARY TRAINING.** Conferees were appointed on S. 1, the military-training, sel-

- ective-service bill (p. 4044). The text of the bill as passed the House is printed in the Record (pp. 4039-44). House conferees were appointed April 13.
9. BUILDINGS DISPERSAL. S. 213, to provide for dispersal and decentralization of Government agencies, was made the unfinished business (pp. 4045, 4077).
 10. RESEARCH LANDS. By a 50-25 vote, agreed to a motion by Sen. Flanders to table a motion by Sen. Morse to reconsider the vote by which S. 271, to transfer a tract of USDA land to the Vermont Agricultural College, had been passed by the Senate. H. R. 1149, a similar bill which had been passed by the House, was ordered to lie on the table for further Senate action. (pp. 4065-77.)
 11. COPPER IMPORTS. The Finance Committee reported with amendment H. R. 3336 (S. Rent. 223) (p. 4048). The "Daily Digest" states: "The amended bill would provide for suspending import duty on copper until February 15, 1953, or at the end of the present national emergency, whichever is earlier, with proviso that if the price falls below 24 cents for a month, the Tariff Commission shall advise the President, who shall terminate suspension." (p. D298.)
 12. THIRD SUPPLEMENTAL APPROPRIATION BILL. Agreed to the request of the House for the return of this bill to it for correction of an error which occurred during the engrossing process (p. 4039).
 13. NOMINATIONS. Confirmed the nominations of Richard D. Searles to be Under Secretary of the Interior and Delos Wilson Rentzel to be Under Secretary of Commerce for Transportation (p. 4092).
 14. REPORTS. Received the report of this Department on the foot-and-mouth disease campaign in Mexico for the month of Feb., 1951; and the annual report of the Public Health Service, fiscal year 1950 (p. 4045).
 15. INDIA AID. Received petitions from the Koinonia Foundation and other citizens favoring the shipment of grain to India (p. 4047).
 16. GRAIN. Received a Ruhamah Baptist Church (Rantoul, Kans.) resolution favoring diversion of all grains and fruits now used in the manufacture of alcoholic beverages to the production of food products (p. 4047).
 17. SOIL CONSERVATION. Received resolutions of the Okla. Ass'n. of Soil Conservationists favoring various soil conservation measures in Okla. (p. 4048).
 18. FOREIGN TRADE. Sen. Butler, Febr., submitted an amendment he intends to propose to H. R. 1612, the trade-agreements extension bill (p. 4050); to Foreign Relations Committee.
 19. R.F.C. The Banking and Currency Committee agreed to hold hearings on all pending RFC bills, beginning April 24 (p. D298).
Sen. Byrd inserted his statement and a New York Times editorial suggesting that the reorganization of RFC does not preclude action on bills to provide for abolishing the corporation (p. 4061).
 20. ST. LAWRENCE SEAWAY. Sen. Thye spoke in favor of this project (pp. 4089-90).

BILLS INTRODUCED

21. APPROPRIATIONS. S. Con. Res. 27, by Sen. Byrd (for himself and 47 other Senators), to provide for a consolidated appropriation bill; to Rules and Admin-

82^D CONGRESS
1ST SESSION

H. R. 1612

IN THE SENATE OF THE UNITED STATES

APRIL 17, 1951

Referred to the Committee on Finance and ordered to be printed

AMENDMENT

Intended to be proposed by Mr. BUTLER of Nebraska to the bill (H. R. 1612) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, viz: At the end of the bill add the following new section:

1 SEC. 9. (a) The terms of any treaty to which the United
2 States and any nation or nations with which we have any
3 trade agreements in effect are party shall remain in full
4 force and effect until superseded by a new treaty ratified
5 by the Senate unless, prior thereto, it expires by its own
6 terms.

7 (b) On or before July 1, 1951, the Secretary of State
8 shall prepare and thereafter keep current a list of all nations

1 which are failing to comply with treaties or trade or customs
2 agreements with the United States.

3 (c) There shall be no reduction in custom duties below
4 the rates prevailing on July 1, 1950, with respect to products
5 produced in or imported from any country so long as such
6 country shall be listed as required in subsection (b) of this
7 section.

82ND CONGRESS
1ST Session

H. R. 1612

AMENDMENT

Intended to be proposed by Mr. BUTLER of Nebraska to the bill (H. R. 1612) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

APRIL 17, 1951

Referred to the Committee on Finance and ordered
to be printed

DIGEST

OF CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Division of Legislative Reports
(For Department staff only)

Issued Apr. 27, 1951
For actions of Apr. 26, 1951
82nd-1st, No. 75

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HIGHLIGHTS: Both Houses received President's message to amend Defense Production Act, and bills were introduced to implement the recommendations. Sens. Aiken and Maybank strongly criticized parity-price provisions of message. Senate debated farm-labor bill. Senate committee reported aid-to-India bill. Senate committee voted to report trade-agreements bill. Conference agreed on bill to transfer Morgan Horse Farm to Vt. Conference reached partial agreement on military-training bill.

SENATE

1. **DEFENSE PRODUCTION; ECONOMIC STABILIZATION.** Both Houses received the President's message recommending extension and amendment of the Defense Production Act (H. Doc. 118); to Banking and Currency Committees (pp. 4525-3, 4560-3).

The message recommends the following changes: Extend the life of the Act for 2 years, until June 30, 1953. Authorize the Government to build and operate defense plants where necessary to produce essential materials and equipment. Permit the use of differential subsidies to obtain essential production from high-cost sources of supply without increasing price ceilings. Provide for controls over credit on existing housing, and regulation of speculative trading on commodity exchanges. Allow the parity price for each farm commodity as of the beginning of its marketing season to be used for price-control purposes throughout the marketing season. Provide stronger means to enforce price-control regulations. Authorize rent control.

Regarding the parity-price provisions the message includes the following: "The Defense Production Act has special provisions regarding ceilings on farm products... This provision... has often been said to prevent price ceilings on farm products. This is, of course, not so... Prices of several of the major farm products, including meats, cotton, and wool, are... subject to price ceilings... Prices paid to farmers for some farm commodities, however, are below parity. These prices cannot be controlled, under the present law, until they rise to the parity level. This has led to some proposals to change the law... to permit price ceilings to be placed on farm products below parity levels. I do not believe such proposals are justified under present circumstances... I do believe, however, that for price control purposes, the parity price for each commodity prevailing at the start of its normal marketing season should be applied throughout the balance of the marketing season, just as is the case in most of our agricultural price-support programs..."

Sen. Maybank announced that hearings on the proposed legislation will begin May 7. He said: "...For the first week, the committee will hear all the Govern-

ment officials who will be charged with the administration... I am determined that these officials shall make a clear, concise record of exactly what they propose to do with this authority. For the next 3 weeks the committee will spend every day with representatives of business, labor, agriculture, and consumers." (p. 4526.)

Sen. Aiken strongly criticized the parity-price proposal. He said: "... If the President had set out to find the most effective way to reduce crop production...for this year, he could hardly have found a more effective means... What the President is proposing is not to freeze parity, but to destroy the parity formula." (p. 4527.)

Sen. Maybank inserted in the Record a rather detailed summary of the proposed bill as recommended by the President (pp. 4526-7).

2. FARM LABOR. Began debate on S. 984, to provide for recruitment and importation of Mexican farm laborers into the U. S. (pp. 4528-39).
3. INDIA AID. The Foreign Relations Committee reported with amendments S. 872, to provide for aid to India (S. Rept. 297) (p. 4505). Sen. Gillette said: "This bill authorizes the sending of 2,000,000 tons of food grains to India, at a cost of about \$190,000,000. Half of this, or \$95,000,000, is to be in the form of a gift." (p. 4505.)
4. TRADE AGREEMENTS. The "Daily Digest" states that the Finance Committee voted to report (but did not actually report) with amendments H. R. 1612, to extend the President's authority to enter into foreign trade agreements. It also states: "The bill, as approved by the committee, contains (1) a 2-year extension of the law instead of 3 as approved by the House; (2) a modified peril-point amendment; (3) a provision on suspension or withdrawal of benefits of tariff concessions from Communistic areas; and (4) an escape-clause provision following the general principle of the House-approved bill with administrative improvements. The House amendment limiting tariff reductions on price-support agricultural products was deleted, but four new amendments, in lieu thereof, were approved: (1) Restoration to domestic producers to protest in customs courts the classification of imported articles; (2) that part of the Magnuson amendment to prevent foreign agreements from operating in a manner inconsistent with the requirements of section 22 of the AAA; (3) an amendment for emergency action with regard to perishable agricultural commodities in lieu of the proposed Holland amendment; and (4) one stating that the enactment of this act shall not be construed to indicate that the committee is approving or disapproving the general agreement originally made at Geneva in 1947." (p. D332.)
5. FARM PRICES. Sen. Langer said farm costs are increasing more than farm prices and that net farm income "has been skidding steadily since 1947" (p. 4510).
6. NOMINATION. The Banking and Currency Committee reported favorably the nomination of W. Stuart Symington to be Administrator of RFC (pp. 4510-11).

HOUSE

7. DEFENSE APPROPRIATIONS. Passed without amendment H. R. 3842, making supplemental appropriations for fiscal year 1951 for the Departments of Army, Navy, and Air Force, and the Atomic Energy Commission (pp. 4542-53).
8. MILITARY TRAINING; SELECTIVE SERVICE. The "Daily Digest" states that the conferees on S. 1, the military-training, selective-service bill, made announcement of the following agreements, among others: Approved enlistment of aliens up to a total of 12,500 for a 5-year period; agreed to allow individual draft

Apr. 27

D I G E S T OF
CONGRESSIONAL PROCEEDINGS
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Division of Legislative Reports
(For Department staff only)

Issued Apr. 30, 1951
For actions of Apr. 27, 1951
82nd-1st, No. 76

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HIGHLIGHTS: Senate debated farm-labor bill. Senate committee reported trade-agreements bill. Sen. Aiken claimed Labor and Agriculture Departments' releases on cost of living are contradictory. House committee reported independent offices appropriation bill.

SENATE

1. **FARM LABOR.** Continued debate on S. 984, to provide for importation of farm laborers from Mexico (pp. 4576, 4591-611).
 Sen. Wiley asked more consideration of farm-production needs in connection with deferments from selective service (pp. 4572-3).
2. **TRADE AGREEMENTS.** The Finance Committee reported with amendments H. R. 1612, to continue the authority for reciprocal trade agreements (S. Rept. 299)(p. 4573). See Digest 75 for summary of bill as reported.
3. **EXPENDITURES.** The Joint Committee on Reduction of Nonessential Federal Expenditures submitted a report on emergency agency overhead (S. Doc. 35)(p. 4573).
4. **COST OF LIVING.** Sen. Aiken quoted from a Labor Department report which, he said, blames the increase in the cost of living on farmers, and from an Agriculture Department report stating that farm prices have declined. The Senator said: "The two contradictory releases lead me to wonder whether we can believe...our Government..." (p. 4611.)
5. **MILITARY TRAINING.** The conferees took various additional actions in their consideration of S. 1, the military training and service bill (p. D336).
6. **RECESSED** until Mon., Apr. 30 (p. 4611).

HOUSE

7. **INDEPENDENT OFFICES APPROPRIATION BILL, 1952.** The Appropriations Committee reported this bill during adjournment of the House, pursuant to special authorization. (The bill was not yet numbered, and regular supplies were not

printed and distributed.)

The bill includes funds for the Civil Service Commission, Budget Bureau, Council of Economic Advisers, emergency fund for the President, disaster relief, General Accounting Office, Housing and Home Finance Agency, Tennessee Valley Authority, Smithsonian Institution, FCC, FPC, ETC, ICC, General Services Administration, etc.

Following is a new provision regarding fees and charges: "It is the sense of the Congress that any work, service, publication, report, document, benefit, privilege, authority, use, franchise, license, permit, certificate, registration, or similar thing of value or utility performed, furnished, provided, granted, prepared, or issued by any Federal agency (including wholly owned Government corporations as defined in the Government Corporation Control Act of 1945) to or for any person (including groups, associations, organizations, partnerships, corporations, or businesses), except those engaged in the transaction of official business of the Government, shall be self-sustaining to the full extent possible, and the head of each Federal agency is authorized by regulation (which, in the case of agencies in the executive branch, shall be as uniform as practicable and subject to such policies as the President may prescribe), to prescribe therefor such fee, charge, or price, if any, as he shall determine, in case none exists, or redetermine, in case of an existing one, to be fair and equitable taking into consideration direct and indirect cost to the Government, value to the recipient, public policy or interest served, and other pertinent facts, and any amount so determined or redetermined shall be collected and paid into the Treasury as miscellaneous receipts: Provided, That nothing contained in this title shall repeal or modify existing statutes prohibiting the collection, fixing the amount, or directing the disposition of any fee, charge or price: Provided further, That nothing contained in this title shall repeal or modify existing statutes prescribing bases for calculation of any fee, charge or price, but this proviso shall not restrict the redetermination or recalculation in accordance with the prescribed bases of the amount of any such fee, charge or price."

The bill contains the same provision as the current law, regarding the using of annual leave by June 30, except that the year is changed from 1951 to 1952, of course. It also authorizes additional "super-grades" in General Accounting Office.

The amount in the bill as reported is \$6,171,777,440, which is \$746,800,025 below the Budget amount.

EXCERPTS FROM COMMITTEE REPORT:

Fees and charges. "The Committee is concerned that the Government is not receiving full return from many of the services which it renders to special beneficiaries. Many fees for such services are specifically fixed by law, and in some cases, it is specifically provided that no fees shall be charged. In other cases, however, no fees are charged even though the charging of fees is not prohibited; and in still others, fees are charged upon the basis of formulae prescribed in law, but the application of the formulae needs to be re-examined to bring the actual charges into line with present-day costs and other related considerations.

"It is understood that other committees of the Congress have interested themselves in this matter and that studies now are under way which may result in further legislation to require that adequate consideration be received for such services. However, such studies are necessarily time-consuming and the required legislation may not be enacted for a considerable period. Accordingly, the Committee has inserted language in the bill (Title V, page 59) which would authorize and encourage the charging or increasing of fees to the extent permitted under present basic laws, but which would in no way conflict with studies now under way to effect changes in such basic laws.

"It is estimated that in 1952 the Government will receive more than \$300,000,000 in fees from sources of the type here under consideration. It seems entirely possible that many of these fees could be raised, and that fees could be charged for other services of similar types in cases where no charge is now made, to the extent that the Government might realize upwards of \$50,000,000 additional revenue."

TRADE AGREEMENTS EXTENSION ACT OF 1951

APRIL 27 (legislative day, APRIL 17), 1951.—Ordered to be printed

Mr. GEORGE, from the Committee on Finance, submitted the following

REPORT

[To accompany H. R. 1612]

The Committee on Finance, to whom was referred the bill (H. R. 1612) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes, having considered the same, report favorably thereon with certain amendments and unanimously recommend that the bill as amended do pass.

The amended bill is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Trade Agreements Extension Act of 1951".

SEC. 2. The period during which the President is authorized to enter into foreign-trade agreements under section 350 of the Tariff Act of 1930, as amended and extended, is hereby extended for a further period of two years from June 12, 1951.

SEC. 3. (a) Before entering into negotiations concerning any proposed foreign trade agreement under section 350 of the Tariff Act of 1930, as amended, the President shall furnish the United States Tariff Commission (hereinafter in this Act referred to as the "Commission") with a list of all articles imported into the United States to be considered for possible modification of duties and other import restrictions, imposition of additional import restrictions, or continuance of existing customs or excise treatment. Upon receipt of such list the Commission shall make an investigation and report to the President the findings of the Commission with respect to each such article as to (1) the limit to which such modification, imposition or continuance may be extended in order to carry out the purpose of such section 350 without causing or threatening serious injury to the domestic industry producing like or directly competitive articles; and (2) if increases in duties or additional import restrictions are required to avoid serious injury to the domestic industry producing like or directly competitive articles the minimum increases in duties or additional import restrictions required. Such report shall be made by the Commission to the President not later than 120 days after the receipt of such list by the Commission. No such foreign trade agreement shall be entered into until the Commission has made its report to the President or until the expiration of the one-hundred-and-twenty-day period.

(b) In the course of any investigation pursuant to this section the Commission shall hold hearings and give reasonable public notice thereof, and shall afford reasonable opportunity for parties interested to be present, to produce evidence, and to be heard at such hearings.

(c) Section 4 of the Act entitled "An Act to amend the Tariff Act of 1930," approved June 12, 1934, as amended (19 U. S. C., sec. 1354), is hereby amended

by striking out the matter following the semicolon and inserting in lieu thereof the following: "and before concluding such agreement the President shall request the Tariff Commission to make the investigation and report provided for by section 3 of the Trade Agreements Extension Act of 1951, and shall seek information and advice with respect to such agreement from the Departments of State, Agriculture, Commerce, and Defense, and from such other sources as he may deem appropriate."

SEC. 4. (a) Within thirty days after any trade agreement under section 350 of the Tariff Act of 1930, as amended, has been entered into which, when effective, will (1) require or make appropriate any modification of duties or other import restrictions, the imposition of additional import restrictions, or the continuance of existing customs or excise treatment, which modification, imposition, or continuance will exceed the limit to which such modification, imposition, or continuance may be extended without causing or threatening serious injury to the domestic industry producing like or directly competitive articles as found and reported by the Tariff Commission under section 3, or (2) fail to require or make appropriate the minimum increase in duty or additional import restrictions required to avoid such injury, the President shall transmit to Congress a copy of such agreement together with a message accurately identifying the article with respect to which such limits or minimum requirements are not complied with, and stating his reasons for the action taken with respect to such article. If either the Senate or the House of Representatives, or both, are not in session at the time of such transmission, such agreement and message shall be filed with the Secretary of the Senate or the Clerk of the House of Representatives, or both, as the case may be.

(b) Promptly after the President has transmitted such foreign trade agreement to Congress the Commission shall deposit with the Committee on Ways and Means of the House of Representatives, and the Committee on Finance of the Senate, a copy of the portions of its report to the President dealing with the articles with respect to which such limits or minimum requirements are not complied with.

SEC. 5. As soon as practicable, the President shall take such action as is necessary to suspend, withdraw or prevent the application of any reduction in any rate of duty, or binding of any existing customs or excise treatment, or other concession contained in any trade agreement entered into under authority of section 350 of the Tariff Act of 1930, as amended and extended, to imports from the Union of Soviet Socialist Republics and to imports from any nation or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement.

SEC. 6. (a) No reduction in any rate of duty, or binding of any existing customs or excise treatment, or other concession hereafter proclaimed under section 350 of the Tariff Act of 1930, as amended, shall be permitted to continue in effect when the product on which the concession has been granted is, as a result, in whole or in part, of the duty or other customs treatment reflecting such concession, being imported into the United States in such relatively increased quantities (compared to a representative period prior to the concession) as to cause or threaten serious injury to the domestic industry producing like or directly competitive products.

(b) The President, as soon as practicable, shall take such action as may be necessary to bring trade agreements heretofore entered into under section 350 of the Tariff Act of 1930, as amended, into conformity with the policy established in subsection (a) of this section.

On or before January 10, 1952, and every six months thereafter, the President shall report to the Congress on the action taken by him under this subsection.

SEC. 7. (a) Upon the request of the President, upon resolution of either House of Congress, upon resolution of either the Committee on Finance of the Senate or the Committee on Ways and Means of the House of Representatives, upon its own motion, or upon application of any interested party, the United States Tariff Commission shall make an investigation to determine whether any product upon which a concession has been granted under a trade agreement is, as a result, in whole or in part, of the duty or other customs treatment reflecting such concession, being imported into the United States in such relatively increased quantities (compared to a representative period prior to the concession) as to cause or threaten serious injury to the domestic industry producing like or directly competitive products.

In the course of any such investigation, whenever it finds evidence of serious injury or threat of serious injury or whenever so directed by resolution of either the Committee on Finance of the Senate or the Committee on Ways and Means of the House of Representatives, the Tariff Commission shall hold hearings giving reasonable public notice thereof and shall afford reasonable opportunity for

interested parties to be present, to produce evidence, and to be heard at such hearings.

Should the Tariff Commission find, as the result of its investigation and hearings, that a product on which a concession has been granted is, as a result, in whole or in part, of the duty or other customs treatment reflecting such concession, being imported in such relatively increased quantities (compared to a representative period prior to the concession) as to cause or threaten serious injury to the domestic industry producing like or directly competitive products, it shall recommend to the President the withdrawal or modification of the concession, its suspension in whole or in part, or the establishment of import quotas, to the extent and for the time necessary to prevent or remedy such injury. Within sixty days, or sooner if the President has taken action under subsection (c) of this section, the Tariff Commission shall transmit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives an exact copy of its report and recommendations to the President.

(b) In arriving at a determination in the foregoing procedure the Tariff Commission, without excluding other factors, shall take into consideration a downward trend of production, employment, prices, profits, or wages in the domestic industry concerned, or a decline in sales, an increase in imports, either actual or relative to domestic production, a higher or growing inventory, or a decline in the proportion of the domestic market supplied by domestic producers.

(c) Upon receipt of the Tariff Commission's report of its investigation and hearings, the President may make such adjustments in the rates of duty, impose such quotas, or make such other modifications as are found and reported by the Commission to be necessary to prevent or remedy serious injury to the respective domestic industry. If the President does not take such action within sixty days he shall immediately submit a report to the Committee on Ways and Means of the House and to the Committee on Finance of the Senate stating why he has not made such adjustments or modifications, or imposed such quotas.

(d) When in the judgment of the Tariff Commission no sufficient reason exists for a recommendation to the President that a concession should be withdrawn or modified or a quota established, it shall make and publish a report stating its findings and conclusions.

SEC. 8. (a) In any case where the Secretary of Agriculture determines and reports to the President and to the Tariff Commission with regard to any agricultural commodity that due to the perishability of the commodity a condition exists requiring emergency treatment, the Tariff Commission shall make an immediate investigation under the provisions of section 22 of the Agricultural Adjustment Act, as amended, or under the provisions of section 7 of this Act to determine the facts and make recommendations to the President for such relief under those provisions as may be appropriate. The President may take immediate action, however, without awaiting the recommendations of the Tariff Commission if in his judgment the emergency requires such action. In any case the report and findings of the Tariff Commission and the decision of the President shall be made at the earliest possible date and in any event not more than 20 calendar days after the submission of the case to the Tariff Commission.

(b) Subsection (f) of section 22 of the Agricultural Adjustment Act, as amended, is hereby amended to read as follows:

"(f) No trade agreement or other international agreement heretofore or hereafter entered into by the United States shall be applied in a manner inconsistent with the requirements of this section."

SEC. 9. (a) The second sentence of section 2 (a) of the Act entitled "An Act to amend the Tariff Act of 1930," approved June 12, 1934, as amended, is amended by striking out the word "sections" and inserting in lieu thereof the word "section" and by striking out "and 516 (b)."

(b) Subsection (c) of section 17 of the Customs Administration Act of 1938, as amended, is hereby repealed.

SEC. 10. The enactment of this Act shall not be construed to determine or indicate the approval or disapproval by the Congress of the Executive Agreement known as the General Agreement on Tariffs and Trade.

SECTIONAL INDEX OF REPORTED BILL

The bill would extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, to enter into new agreements until June 12, 1953. The amendments adopted by the com-

mittee to facilitate the application of that authority are identified by sections in the bill as follows:

- Section 1. Short title.
- Section 2. Period of extension.
- Section 3. Peril point—procedure.
- Section 4. Peril point—action by the President.
- Section 5. Suspension or withdrawal of benefit of concessions from Communist areas.

Section 6. Escape clause to be inserted in future agreements and, as soon as practicable, in past agreements.

Section 7. Operation of the escape clause. Investigation, hearings and reports. Role of the Tariff Commission and the President.

Section 8. Emergency action for perishable agricultural products. Trade agreements to be applied in a manner consistent with requirements of section 22 of the Agricultural Adjustment Act. No trade agreement concessions to be construed so as to interfere with the operation of agricultural programs.

Section 9. Restoration of the right of domestic producers to court action on classification of imports.

Section 10. Caveat. This act not to be construed as approval or disapproval by Congress of the General Agreement on Tariffs and Trade.

GENERAL STATEMENT

Two-year extension (sec. 2)

The bill as passed by the House would have extended the President's authority to enter into foreign trade agreements until June 12, 1954. Your committee believes that because of the uncertain and unsettled economic conditions of the world, it may be advisable to review the operations of the Trade Agreements Act prior to that time. The termination date has therefore been adjusted to June 12, 1953.

Peril point report (secs. 3 and 4)

The peril point amendment covered in sections 3, 4, and 5 of the House-approved bill is very similar to that adopted by the Eightieth Congress. It requires the President, before entering into any new trade agreements, to furnish to the Tariff Commission, a list of commodities upon which he intends to negotiate. Upon receipt of this list, the Tariff Commission is to make a study and finding, with regard to each respective commodity, of the point below which tariffs may not be reduced without serious injury or threat of serious injury to a domestic industry, and also of the point to which they should be increased to prevent such injury. Upon receipt of this report, or within 120 days after furnishing the list to the Tariff Commission, the President may proceed to negotiate with foreign countries. If he reduces a rate of duty below the peril point found by the Tariff Commission, or fails to provide for the increase found by it to be necessary, he must report to the Congress his reasons for so doing. In such case the Tariff Commission must submit to the Congress the portion of its report to the President dealing with the articles on which its recommendations were not followed.

The House-approved bill would have required that the Tariff Commission should not participate in any manner in the making of

decisions with respect to the terms of proposed foreign agreements or in the negotiation of those agreements. The Tariff Commission has felt that these restrictions, if literally observed, would impair its fact-supplying functions during and at the scene of trade agreement negotiations. It is clearly desirable that negotiating teams should not be denied prompt access to facts which the Commission is able to supply and that this function and the other fact-finding and supplying functions of the Commission should not be hampered.

The committee is of the opinion that the provisions in the House-approved bill on this subject were not intended to hamper such fact-finding and supplying functions, but since their meaning and intent have been questioned, this committee has thought it best to eliminate those provisions and in this report to clarify doubts.

It should be clearly understood that in the opinion of this committee, the existing authority of the Tariff Commission, independent of additional authority along the lines of the provisions in the House-approved bill, authorizes the supplying of information of the types mentioned. The elimination of this provision from the House-approved bill should not be construed as authority for members of the Tariff Commission or its representatives or employees to conduct tariff negotiations. The committee simply desires to make it doubly clear that this supply of information shall not be hindered at any stage of the negotiations of trade agreements.

Withdrawal of concession benefits from Communist areas (sec. 5)

The House-approved bill would have required the President to withdraw, within 90 days, the benefits of "future" concessions from Communist areas. The House amendment contained ambiguities which would have jeopardized and in some respects nullified its operation. Your committee has modified this amendment in two respects. First, the withdrawal from Communist areas of the benefit of concessions made in any trade agreement is mandatory only when such action is "practicable." Second, the President, if he considers it advisable, may merely suspend the benefit of such concessions so that countries which appear to be throwing off the yoke of communism may be quickly restored to most-favored-nation status. The committee amendment instructs the President to take such action as is necessary to suspend, withdraw, or prevent the application of past and future trade agreement concessions from applying to Communist areas.

Escape clause (secs. 6 and 7)

Your committee devoted considerable time and attention to the escape clause amendment. It was felt that the House-approved amendment had certain weaknesses which would have complicated the administration of the escape clause and that amendment was, therefore, redrafted. It was designed to allow the greatest possible freedom in the operation of existing and future trade agreements without resulting injury to domestic producers. The reported bill requires that an escape clause be provided in all future agreements and directs the President, as soon as practicable, to insert an escape clause in all existing agreements. He is to report to Congress on the action taken by him in this respect. It will be noted that no time limit is placed upon the President and that the principle of including an escape clause in existing agreements is not mandatory unless such action would be practicable.

The bill as approved by the House requires the Tariff Commission to make an investigation when requested to do so by the President or any interested party, or upon its own motion. The amendment as reported also directs the Tariff Commission to make an investigation upon resolution of either House of Congress or upon resolution of either the Committee on Finance or the Committee on Ways and Means.

Your committee has made substantial improvements in the House-approved amendment with regard to the factors to be considered by the Tariff Commission in determining whether imports are seriously injuring or threatening to injure any domestic industry. The reported amendment states that certain factors, without excluding others, are to be taken into consideration, but it does not require that those factors be conclusive evidence.

In its investigation, the Tariff Commission is to determine whether imports are entering in "relatively increased quantities" based on a representative period prior to the granting of the concession in question. The term "relatively increased quantities" is used in the broadest sense. It is conceivable that, due to a sharp decline in domestic consumption of a commodity, a domestic industry may be seriously injured by imports even though those imports were declining. The term "relatively" was used to allow escape action even though imports, as well as domestic output, are declining.

If, after the Tariff Commission has completed its investigation, the President does not take the escape action recommended by it, he must submit a report to the Committee on Ways and Means and the Committee on Finance stating why he has not made the adjustments or modifications recommended. The Tariff Commission, if it dismisses an application without a full investigation, must make and publish a report stating its findings and conclusions.

It is the construction of this committee that escape provisions resulting from sections 6 (a) and 6 (b), or other escape action taken, shall be administered under the procedures provided in section 7 of this bill.

The import quotas to be applied under section 7 are only such as are contemplated and authorized by section 350 of the Tariff Act of 1930, as amended.

Perishable agricultural products—emergency action (sec. 8)

Recognizing that, in the case of perishable agricultural commodities, emergency action under section 22 of the Agricultural Adjustment Act or under the escape provisions of the bill may be necessary to prevent loss or material interference with orderly marketing, a provision for such emergency action has been included in the bill. When such action is reported as necessary by the Secretary of Agriculture to the Tariff Commission and to the President, the Tariff Commission shall make an immediate investigation. The President, however, may take action without awaiting the Tariff Commission report if, in his judgment, the emergency requires such action. In any event, the Tariff Commission is to conclude its investigation and report, and the President is to make his decision, within 20 days after the Secretary of Agriculture has filed his report.

The planting, or offering for sale, or shipment of large quantities of perishable products within and without the country may create conditions which would require emergency action. Upon the recommendation of the Secretary of Agriculture, the President would be

entitled to take steps which might prevent the spoilage of large quantities of perishables or alleviate international problems resulting from foreign as well as domestic surpluses.

The House-approved amendment which would have prevented tariff concessions from applying to imported agricultural commodities being sold under a price-support program in the United States has been deleted. It was felt that the intermittent application and withdrawal of price supports would make concessions on the products concerned untenable. The uncertainties growing out of such operations would interfere with or obstruct the normal trade in price-supported products.

Testimony before the committee as to our perennial fruit crops has indicated difficulties encountered by exporters of those crops in regaining access to the importing countries in Europe which in the past furnished an integral and important part of our growers' markets. Your committee, therefore, feels justified in urging the appropriate agencies of this Government to take steps under presently available authority and procedures to bring about the restoration of the foreign markets of these exporters.

Your committee adopted an amendment designed to protect the full operation of section 22 of the Agricultural Adjustment Act. If a case should arise where required action under section 22 would conflict with any trade agreement, then the action under section 22 shall prevail. However, it is assumed by the committee that where a choice of remedies under section 22 makes it possible the President will choose a course not incompatible with our foreign commitments.

Right of domestic producers to contest customs classifications (sec. 9)

Section 9 of the bill as reported was not a part of the House-approved bill. This section restores the right of the domestic producer to appeal to a customs court if he feels that he is being injured by the incorrect classification of an imported article. The operation of this section had been terminated by the Trade Agreement Act of 1934 with respect to products covered in trade agreements. Your committee feels that it would not be just to deny domestic producers the same rights in the customs courts as are granted to importers. It is not expected by the committee that the restoration of this right to domestic producers will upset any of our trade agreements nor will it encumber the courts with large numbers of cases. On the other hand, in some cases, justice can better be rendered through the operation of this amendment.

Caveat regarding the general agreement on tariff and trade (sec. 10)

The Senate Finance Committee in its report on the trade agreement bill in 1948 and again in 1949 attempted to make it clear that the extensions then recommended should not be construed as approval or disapproval of the General Agreement on Tariff and Trade initially entered into at Geneva in 1947. In order to give these recommendations the unquestioned force of law, a provision covering the subject has been incorporated in the bill as approved and reported to the Senate by this committee.

CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill are

shown as follows (existing law proposed to be omitted is enclosed in bracket brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

TRADE AGREEMENTS ACT OF 1934

SEC. 4. Before any foreign trade agreement is concluded with any foreign government or instrumentality thereof under the provisions of this Act, reasonable public notice of the intention to negotiate an agreement with such government or instrumentality shall be given in order that any interested person may have an opportunity to present his views to the President, or to such agency as the President may designate, under such rules and regulations as the President may prescribe; [and before concluding such agreement the President shall seek information and advice with respect thereto from the United States Tariff Commission, from the Departments of State, Agriculture, and Commerce, from the National Military Establishment, and from such other sources as he may deem appropriate] *and before concluding such agreement the President shall request the Tariff Commission to make the investigation and report provided for by section 3 of the Trade Agreements Extension Act of 1951, and shall seek information and advice with respect to such agreement from the Departments of State, Agriculture, Commerce, and Defense, and from such other sources as he may deem appropriate.*

SEC. 2. (a) Subparagraph (d) of paragraph 369, the last sentence of paragraph 1402, and the provisos to paragraphs 371, 401, 1650, 1687, and 1803 (1) of the Tariff Act of 1930 are repealed. The provisions of [sections] *section 336 [and 516 (b)]* of the Tariff Act of 1930 shall not apply to any article with respect to the importation of which into the United States a foreign trade agreement has been concluded pursuant to this Act, or to any provision of any such agreement. The third paragraph of section 311 of the Tariff Act of 1930 shall apply to any agreement concluded pursuant to this Act to the extent only that such agreement assures to the United States a rate of duty on wheat flour produced in the United States which is preferential in respect to the lowest rate of duty imposed by the country with which such agreement has been concluded on like flour produced in any other country; and upon the withdrawal of wheat flour from bonded manufacturing warehouses for exportation to the country with which such agreement has been concluded, there shall be levied, collected, and paid on the imported wheat used, a duty equal to the amount of such assured preference.

* * * * *

CUSTOMS ADMINISTRATIVE ACT OF 1938

SEC. 17.

* * * * *

[(c) The provisions of subsection (b) of section 516 of the Tariff Act of 1930, as amended by this Act, shall not apply with respect to any article of a class or kind which is named or described in any obligation undertaken by the United States in a foreign trade agreement entered into under section 460 of the Tariff Act of 1930 (U. S. C., 1934 edition, title 19, sec. 1351).]

AGRICULTURAL ADJUSTMENT ACT

SEC. 22.

* * * * *

(f) [No proclamation under this section shall be enforced in contravention of any treaty or other international agreement to which the United States is or hereafter becomes a party; but no international agreement or amendment to an existing international agreement shall hereafter be entered into which does not permit the enforcement of this section with respect to the articles and countries to which such agreement or amendment is applicable to the full extent that the general agreement on tariffs and trade, as heretofore entered into by the United States, permits such enforcement with respect to the articles and countries to which such general agreement is applicable. Prescription of a lower rate of duty for any article than that prescribed by the general agreement on tariffs and trade shall not, if subject to the escape provisions of such general agreement, be deemed a violation of this subsection.] *No trade agreement or other international agreement heretofore or hereafter entered into by the United States shall be applied in a manner inconsistent with the requirements of this section.*

Calendar No. 279

82D CONGRESS -
1ST SESSION

H. R. 1612

[Report No. 299]

IN THE SENATE OF THE UNITED STATES

FEBRUARY 12 (legislative day, JANUARY 29), 1951

Read twice and referred to the Committee on Finance

APRIL 27 (legislative day, APRIL 17), 1951

Reported by Mr. GEORGE, with amendments

[Omit the part struck through and insert the part printed in *italic*]

AN ACT

To extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Trade Agreements
4 Extension Act of 1951".

5 SEC. 2. The period during which the President is au-
6 thorized to enter into foreign-trade agreements under section
7 350 of the Tariff Act of 1930, as amended and extended,
8 is hereby extended for a further period of ~~three~~ *two* years
9 from June 12, 1951.

1 SEC. 3. (a) Before entering into negotiations concern-
2 ing any proposed foreign trade agreement under section 350
3 of the Tariff Act of 1930, as amended, the President shall
4 furnish the United States Tariff Commission (hereinafter
5 in this Act referred to as the "Commission") with a list of
6 all articles imported into the United States to be considered
7 for possible modification of duties and other import restric-
8 tions, imposition of additional import restrictions, or con-
9 tinuance of existing customs or excise treatment. Upon re-
10 ceipt of such list the Commission shall make an investigation
11 and report to the President the findings of the Commission
12 with respect to each such article as to (1) the limit to which
13 such modification, imposition, or continuance may be ex-
14 tended in order to carry out the purpose of such section 350
15 without causing or threatening serious injury to the domestic
16 industry producing like or directly competitive articles; and
17 (2) if increases in duties or additional import restrictions
18 are required to avoid serious injury to the domestic industry
19 producing like or directly competitive articles the minimum
20 increases in duties or additional import restrictions required.
21 Such report shall be made by the Commission to the Presi-
22 dent not later than 120 days after the receipt of such list
23 by the Commission. No such foreign trade agreement shall
24 be entered into until the Commission has made its report to

1 the President or until the expiration of the one-hundred-and-
2 twenty-day period.

3 (b) In the course of any investigation pursuant to this
4 section the Commission shall hold hearings and give reason-
5 able public notice thereof, and shall afford reasonable oppor-
6 tunity for parties interested to be present, to produce evidence,
7 and to be heard at such hearings.

8 (c) Section 4 of the Act entitled "An Act to amend
9 the Tariff Act of 1930", approved June 12, 1934, as
10 amended (19 U. S. C., sec. 1354), is hereby amended by
11 striking out the matter following the semicolon and inserting
12 in lieu thereof the following: "and before concluding such
13 agreement the President shall request the Tariff Commis-
14 sion to make the investigation and report provided for by
15 section 3 of the Trade Agreements Extension Act of 1951,
16 and shall seek information and advice with respect to such
17 agreement from the Departments of State, Agriculture,
18 Commerce, and Defense, and from such other sources as
19 he may deem appropriate."

20 ~~SEC. 4. The Commission shall furnish facts, statistics,~~
21 ~~and other information at its command to officers and em-~~
22 ~~ployees of the United States preparing for or participating~~
23 ~~in the negotiation of any foreign trade agreement; but~~
24 ~~neither the Commission nor any member, officer, or employee~~

1 of the Commission shall participate in any manner (except
2 to report findings, as provided in section 3 of this Act and
3 to furnish facts, statistics, and other information as required
4 by this section) in the making of decisions with respect to
5 the proposed terms of any foreign trade agreement or in the
6 negotiation of any such agreement.

7 SEC. 5 4. (a) Within thirty days after any trade agree-
8 ment under section 350 of the Tariff Act of 1930, as
9 amended, has been entered into which, when effective, will
10 (1) require or make appropriate any modification of duties
11 or other import restrictions, the imposition of additional
12 import restrictions, or the continuance of existing customs
13 or excise treatment, which modification, imposition, or con-
14 tinuance will exceed the limit to which such modification,
15 imposition, or continuance may be extended without
16 causing or threatening serious injury to the domestic
17 industry producing like or directly competitive articles
18 as found and reported by the Tariff Commission under
19 section 3, or (2) fail to require or make appropriate
20 the minimum increase in duty or additional import restric-
21 tions required to avoid such injury, the President shall
22 transmit to Congress a copy of such agreement together with
23 a message accurately identifying the article with respect
24 to which such limits or minimum requirements are not com-
25 plied with, and stating his reasons for the action taken with

1 respect to such article. If either the Senate or the House of
2 Representatives, or both, are not in session at the time of
3 such transmission, such agreement and message shall be filed
4 with the Secretary of the Senate or the Clerk of the House
5 of Representatives, or both, as the case may be.

6 (b) Promptly after the President has transmitted such
7 foreign trade agreement to Congress the Commission shall
8 deposit with the Committee on Ways and Means of the
9 House of Representatives, and the Committee on Finance
10 of the Senate, a copy of the portions of its report to the
11 President dealing with the articles with respect to which
12 such limits or minimum requirements are not complied with.

13 ~~SEC. 6. As soon as practicable, but not more than ninety~~
14 ~~days after enactment of this Act, the President shall take~~
15 ~~such action as is necessary to withdraw or prevent the appli-~~
16 ~~cation of reduced tariffs or other concessions (including the~~
17 ~~binding of an article on the free list) contained in any trade~~
18 ~~agreement hereafter entered into under authority of section~~
19 ~~350 of the Tariff Act of 1930, as amended and extended, to~~
20 ~~imports from the Union of Soviet Socialist Republics and to~~
21 ~~imports from any nation or area thereof which the President~~
22 ~~deems to be dominated or controlled by the foreign govern-~~
23 ~~ment or foreign organization controlling the world Commu-~~
24 ~~nist movement.~~

25 *SEC. 5. As soon as practicable, the President shall take*

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1 such action as is necessary to suspend, withdraw or prevent
 2 the application of any reduction in any rate of duty, or bind-
 3 ing of any existing customs or excise treatment, or other
 4 concession contained in any trade agreement entered into
 5 under authority of section 350 of the Tariff Act of 1930, as
 6 amended and extended, to imports from the Union of Soviet
 7 Socialist Republics and to imports from any nation or area
 8 dominated or controlled by the foreign government or foreign
 9 organization controlling the world Communist movement.

10 SEC. 7. (a) If in the course of a trade agreement any
 11 product on which a concession has been granted is being
 12 imported into the territory of one of the contracting parties in
 13 such increased quantities or under such conditions as to cause
 14 or threaten serious injury to domestic producers in that terri-
 15 tory of like or directly competitive products, the contracting
 16 parties shall be free, in respect of such product, and to the
 17 extent and for such time as may be necessary to prevent or
 18 remedy such injury, to suspend the concession in whole or
 19 in part, to withdraw or modify the concession or to establish
 20 import quotas.

21 (b) Upon the request of the President, upon its own
 22 motion, or upon application of any interested party the
 23 United States Tariff Commission shall make an investigation
 24 to determine whether any article upon which a concession
 25 has been granted under a trade agreement to which a clause

1 similar to that provided in subsection (a) of this section is
2 applicable, is being imported under such relatively increased
3 quantities or under such conditions as to cause or threaten
4 serious injury to a domestic industry or a segment of such
5 industry which produces a like or directly competitive article.

6 In the course of any such investigation the Tariff Com-
7 mission shall hold hearings, giving reasonable public notice
8 thereof, and shall afford reasonable opportunity for parties
9 interested to be present, to produce evidence, and to be heard
10 at such hearings.

11 Should the Tariff Commission find, as the result of its
12 investigation and hearings, that serious injury is being caused
13 or threatened through the importation of the article in ques-
14 tion, it shall recommend to the President, the withdrawal
15 or modification of the concession, its suspension in whole or
16 in part, or the establishment of import quotas, to the extent
17 and for such time as may be necessary to prevent or remedy
18 such injury.

19 (c) When in the judgment of the Tariff Commission no
20 sufficient reason exists for such a recommendation to the
21 President it shall, after due investigation and hearings, make
22 a finding in support of its denial of the application, setting
23 forth the facts which have led to such conclusion. This find-
24 ing shall set forth the level of duty below which, in the Com-
25 mission's judgment, serious injury would occur or threaten.

1 In arriving at a determination in the foregoing procedure
2 the Tariff Commission shall deem a downward trend of
3 production, employment and wages in the domestic industry
4 concerned, or a decline in sales and a higher or growing
5 inventory attributable in part to import competition, to be
6 evidence of serious injury or a threat thereof.

7 *SEC. 6. (a) No reduction in any rate of duty, or bind-*
8 *ing of any existing customs or excise treatment, or other*
9 *concession hereafter proclaimed under section 350 of the*
10 *Tariff Act of 1930, as amended, shall be permitted to con-*
11 *tinue in effect when the product on which the concession has*
12 *been granted is, as a result, in whole or in part, of the duty*
13 *or other customs treatment reflecting such concession, being*
14 *imported into the United States in such relatively increased*
15 *quantities (compared to a representative period prior to the*
16 *concession) as to cause or threaten serious injury to the*
17 *domestic industry producing like or directly competitive*
18 *products.*

19 *(b) The President, as soon as practicable, shall take*
20 *such action as may be necessary to bring trade agreements*
21 *heretofore entered into under section 350 of the Tariff Act*
22 *of 1930, as amended, into conformity with the policy estab-*
23 *lished in subsection (a) of this section.*

1 *On or before January 10, 1952, and every six months*
2 *thereafter, the President shall report to the Congress on the*
3 *action taken by him under this subsection.*

4 *SEC. 7. (a) Upon the request of the President, upon*
5 *resolution of either House of Congress, upon resolution of*
6 *either the Committee on Finance of the Senate or the Com-*
7 *mittee on Ways and Means of the House of Representatives,*
8 *upon its own motion, or upon application of any interested*
9 *party, the United States Tariff Commission shall make an*
10 *investigation to determine whether any product upon which*
11 *a concession has been granted under a trade agreement is,*
12 *as a result, in whole or in part, of the duty or other customs*
13 *treatment reflecting such concession, being imported into the*
14 *United States in such relatively increased quantities (com-*
15 *pared to a representative period prior to the concession)*
16 *as to cause or threaten serious injury to the domestic industry*
17 *producing like or directly competitive products.*

18 *In the course of any such investigation, whenever it finds*
19 *evidence of serious injury or threat of serious injury or when-*
20 *ever so directed by resolution of either the Committee on*
21 *Finance of the Senate or the Committee on Ways and Means*
22 *of the House of Representatives, the Tariff Commission shall*
23 *hold hearings giving reasonable public notice thereof and*

1 shall afford reasonable opportunity for interested parties to
2 be present, to produce evidence, and to be heard at such
3 hearings.

4 Should the Tariff Commission find, as the result of its
5 investigation and hearings, that a product on which a con-
6 cession has been granted is, as a result, in whole or in part,
7 of the duty or other customs treatment reflecting such con-
8 cession, being imported in such relatively increased quan-
9 tities (compared to a representative period prior to the
10 concession) as to cause or threaten serious injury to
11 the domestic industry producing like or directly competitive
12 products, it shall recommend to the President the withdrawal
13 or modification of the concession, its suspension in whole or
14 in part, or the establishment of import quotas, to the extent
15 and for the time necessary to prevent or remedy such injury.
16 Within sixty days, or sooner if the President has taken action
17 under subsection (c) of this section, the Tariff Commission
18 shall transmit to the Committee on Finance of the Senate
19 and the Committee on Ways and Means of the House of
20 Representatives an exact copy of its report and recommenda-
21 tions to the President.

22 (b) In arriving at a determination in the foregoing pro-
23 cedure the Tariff Commission, without excluding other fac-
24 tors, shall take into consideration a downward trend of pro-
25 duction, employment, prices, profits, or wages in the domestic

1 industry concerned, or a decline in sales, an increase in im-
 2 ports, either actual or relative to domestic production, a
 3 higher or growing inventory, or a decline in the proportion
 4 of the domestic market supplied by domestic producers.

5 (c) Upon receipt of the Tariff Commission's report of
 6 its investigation and hearings, the President may make such
 7 adjustments in the rates of duty, impose such quotas, or make
 8 such other modifications as are found and reported by the
 9 Commission to be necessary to prevent or remedy serious
 10 injury to the respective domestic industry. If the President
 11 does not take such action within sixty days he shall immedi-
 12 ately submit a report to the Committee on Ways and Means
 13 of the House and to the Committee on Finance of the Senate
 14 stating why he has not made such adjustments or modifications,
 15 or imposed such quotas.

16 (d) When in the judgment of the Tariff Commission no
 17 sufficient reason exists for a recommendation to the President
 18 that a concession should be withdrawn or modified or a quota
 19 established, it shall make and publish a report stating its
 20 findings and conclusions.

21 SEC. 8. Section 350 of the Tariff Act of 1930, as
 22 amended, is hereby amended by adding at the end thereof
 23 the following new subsection:

24 “(e) No reduced tariff or other concession resulting from
 25 a trade agreement entered into under this section shall apply

1 with respect to any agricultural commodity for which price
2 support is available to producers in the United States unless
3 the sales prices (as determined from time to time by the
4 Secretary of Agriculture) for the imported agricultural com-
5 modity within the United States after the application of
6 such reduced tariff or other concession exceed the level of
7 such price support.”

8 *SEC. 8. (a) In any case where the Secretary of Agricul-*
9 *ture determines and reports to the President and to the Tariff*
10 *Commission with regard to any agricultural commodity that*
11 *due to the perishability of the commodity a condition exists*
12 *requiring emergency treatment, the Tariff Commission shall*
13 *make an immediate investigation under the provisions of sec-*
14 *tion 22 of the Agricultural Adjustment Act, as amended, or*
15 *under the provisions of section 7 of this Act to determine the*
16 *facts and make recommendations to the President for such*
17 *relief under those provisions as may be appropriate. The*
18 *President may take immediate action however, without await-*
19 *ing the recommendations of the Tariff Commission if in*
20 *his judgment the emergency requires such action. In any*
21 *case the report and findings of the Tariff Commission and*
22 *the decision of the President shall be made at the earliest*
23 *possible date and in any event not more than 20 calendar days*
24 *after the submission of the case to the Tariff Commission.*

25 *(b) Subsection (f) of section 22 of the Agricultural*

1 *Adjustment Act, as amended, is hereby amended to read as*
2 *follows:*

3 “(f) No trade agreement or other international agree-
4 ment heretofore or hereafter entered into by the United States
5 shall be applied in a manner inconsistent with the require-
6 ments of this section.”

7 SEC. 9. (a) The second sentence of section 2 (a) of the
8 Act entitled “An Act to amend the Tariff Act of 1930”,
9 approved June 12, 1934, as amended, is amended by striking
10 out the word “sections” and inserting in lieu thereof the
11 word “section” and by striking out “and 516 (b)”.

12 (b) Subsection (c) of section 17 of the Customs Admin-
13 istrative Act of 1938, as amended, is hereby repealed.

14 SEC. 10. The enactment of this Act shall not be con-
15 strued to determine or indicate the approval or disapproval
16 by the Congress of the Executive Agreement known as the
17 General Agreement on Tariffs and Trade.

Passed the House of Representatives February 12, 1951.

Attest:

RALPH R. ROBERTS,

Clerk.

Calendar No. 279

82^d CONGRESS
1ST SESSION

H. R. 1612

[Report No. 299]

AN ACT

To extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

FEBRUARY 12 (legislative day, JANUARY 29), 1951

Read twice and referred to the Committee on Finance

APRIL 27 (legislative day, APRIL 17), 1951

Reported with amendments

July 17

(a) Inserting in the first sentence of paragraph (1) of subsection (a) of section 305 after the word "senior", the words "in permanent rank."

(b) Inserting in the first sentence of subsection (f) of section 314 between the words "active" and "list", the words "or retired" and deleting in the third proviso of that subsection the words "major general on the active list" and substituting therefor the words "major general or above on the active or retired list."

BILLS PASSED OVER

The bill (S. 35) to provide for the appointment of deputy United States marshals without regard to the provisions of the civil service laws and regulations was announced as next in order.

Mr. LANGER. Let the bill go over.

Mr. JOHNSTON of South Carolina. Over, Mr. President.

The VICE PRESIDENT. Objection being heard, the bill goes over.

The bill (S. 50) to provide for the admission of Alaska into the Union was announced as next in order.

Mr. ELLENDER. Let the bill go over.

The VICE PRESIDENT. The Senator from Louisiana objects, and the bill goes over.

The bill (S. 49) to enable the people of Hawaii to form a constitution and State government and to be admitted into the Union on an equal footing with the original States was announced as next in order.

Mr. ELLENDER. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

ACCEPTANCES OF CONDITIONAL GIFTS TO FURTHER THE DEFENSE EFFORT

The Senate proceeded to consider the bill (S. 1230) to authorize the acceptance of conditional gifts to further the defense effort, which had been reported from the Committee on Expenditures in the Executive Departments with an amendment on page 2, line 16, after the word "made", to strike out "may" and insert "shall", so as to make the bill read:

Be it enacted, etc., That to further the defense effort of the United States—

(a) the Secretary of the Treasury is authorized to accept or reject on behalf of the United States any gift of money or other intangible personal property made on condition that it be used for a particular defense effort; and

(b) the Administrator of General Services is authorized to accept or reject on behalf of the United States any gift of other property, real or personal, or services, made on condition that it be used for a particular defense effort.

Sec. 2. The Secretary of the Treasury may convert into money, at the best terms available, any such gift of intangible property other than money; and the Administrator of General Services may convert into money, at the best terms available, any such gift of tangible property, or transfer to any other Federal agency without reimbursement such property as he may determine usable for the particular purpose for which it was donated.

Sec. 3. There shall be established on the books of the Treasury a special account into which shall be deposited all money received as a result of such gifts.

Sec. 4. The Secretary of the Treasury, in order to effectuate the purposes for which gifts accepted under this act are made, shall from time to time pay the money in such special account to such of the various ap-

propriation accounts as in his judgment will best effectuate the intent of the donors, and such money is hereby appropriated and shall be available for expenditure for the purposes of the appropriations to which paid.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. SCHOEPEL subsequently said: Mr. President, with reference to Senate bill 1230, Calendar 297, I ask unanimous consent to have placed in the RECORD that portion of the committee report which appears on page 3, entitled "Provisions of S. 1230."

There being no objection, the portion of the committee report referred to was ordered to be printed in the RECORD, as follows:

PROVISIONS OF S. 1230

S. 1230, as submitted to the Congress by the Treasury Department, would enable the Government of the United States to accept gifts of money and other property, real and personal, as well as services, conditioned upon their use for a particular purpose.

Section 1 would authorize the Secretary of the Treasury to accept or reject gifts of money or other intangible personal property made to the United States, carrying a condition to the effect that they be used for some particular defense purpose. It would also authorize the Administrator of General Services to accept or reject gifts of other property, real or personal, as well as services.

Section 2 would authorize the Secretary of the Treasury and the Administrator of General Services to convert into cash any gifts of intangible or tangible property other than money. It would also authorize the Administrator of General Services to transfer to any other Federal agency without reimbursement such property as he may determine usable for the particular purpose for which it was donated.

Section 3 would establish on the books of the Treasury a special account into which conditional gifts of money and the proceeds of all other conditional gifts, would be deposited.

Section 4 would require the Secretary of the Treasury to pay the money in this special account to the various appropriation accounts made for the purpose of purchasing defense materiel and furthering the defense effort of the United States, in such a manner that the gifts would be used, as far as practicable, for the purposes for which they have been donated. This section would also automatically appropriate the money received by the Treasury for such specific purposes.

Under the provisions of this bill, the type of conditional gifts which may be accepted by the Secretary of the Treasury is limited to money and other intangible property, such as bonds, securities, and stocks. Gifts of real and personal property and services would be handled by the Administrator of General Services. In all cases, the Secretary of the Treasury and the Administrator of General Services would be authorized to either accept or reject any particular gift as they saw fit.

REPRESENTATION OF APPELLANTS BY CERTAIN VETERANS' ORGANIZATIONS

The bill (S. 831) to amend the Veterans' Preference Act of 1944, as amended, so as to provide for designated representatives thereunder of certain veterans' organizations, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 14 of the Veterans' Preference Act of 1944, as amended (5 U. S. C. 863), is amended by inserting

"(a)" after "Sec. 14." and by adding the following new subsection:

"(b) Any appellant under section 12 of this act or under this section may choose as his or her designated representative an accredited representative of any of the following veterans' organizations: American Legion; Veterans of Foreign Wars of the United States; AMVETS—American Veterans of World War II; United Spanish War Veterans; American Veterans' Committee, Inc.; Disabled American Veterans; Marine Corps League; Army Mutual Aid Association; Army and Navy Union, U. S. A.; Blinded Veterans' Association; Catholic War Veterans of the United States of America; Coast Guard League; Fleet Reserve Association; Italian-American World War Veterans of the United States; Jewish War Veterans of the United States; Military Order of the Purple Heart; Military Order of the World Wars; National Society—Army of Philippines; National Tribune; Navy Mutual Aid Association; Regular Veterans' Association; Disabled Emergency Officers of the World Wars; United Indian War Veterans, U. S. A.; Grand Army of the Republic; and any other veterans' organization incorporated or recognized by act of Congress or recognized as such by the United States Civil Service Commission under such rules and regulations as it may prescribe for such purpose. The Civil Service Commission—

(1) shall prescribe such rules, regulations, and standards as it shall deem appropriate for the conduct by such organizations and accredited representatives thereof of their duties pursuant to such sections; and

(2) may withdraw from any such organization or any accredited representative thereof of its recognition pursuant to this section for the failure of such organization or accredited representative to comply with such rules, regulations, and standards, and thereafter may restore such recognition to any such organization or accredited representative under such terms and conditions as the Commission shall deem necessary to insure future compliance by such organization or accredited representative with such rules, regulations, and standards.

PURCHASE BY UNITED STATES OF YOUNG MEN'S CHRISTIAN ASSOCIATION PROPERTY IN PHOENIX, ARIZ.

The bill (S. 718) to authorize the lease and purchase by the United States of the Young Men's Christian Association Building and premises in Phoenix, Ariz., was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. Mr. President, reserving the right to object, may we have an explanation of the bill?

Mr. HAYDEN. I am very glad to give an explanation.

Mr. President, the property is located in the very heart of the city of Phoenix, and is adjacent to the present Federal courthouse. Included in the property is a substantial tract of land. When that land is combined with the courthouse property, and a city park area, which will be donated, the Government will own all but a corner of the entire block.

The directors of the Young Men's Christian Association advise me that they are compelled to sell the property because they are building a new YMCA building at a somewhat greater distance from the center of the city, and that if they can make with the Government an arrangement to pay 5 years' rent, they will turn over to the United States the title to the building and land at the end

of the 5 years. So the amount to be paid contemplates the purchase price of the building, plus which will have to be paid as interest on a bank loan during the 5-year period. The payments are to be made quarterly by the Government, and at the end of 5 years the Government will own the property. It is a real bargain for the Government. It was indicated to me that the owners had received other offers for the property, but that they wanted to see this site reserved, because it would be a proper site for a Federal building, at some future time, and, as businessmen resident in the city, they would be willing to wait until June in order to see whether Congress would act favorably upon their offer. If not, they will sell the YMCA building and lot to someone else. I may say that property values in Phoenix have substantially increased, and they will have no difficulty in getting an equal or better price for the property, but they prefer to have the Government own it.

Mr. HENDRICKSON. Mr. President, since this represents a bargain for the Government, the junior Senator from New Jersey cannot object.

Mr. LANGER. Mr. President, will the Senator from Arizona yield for a question?

Mr. HAYDEN. I yield.

Mr. LANGER. What is the purchase price?

Mr. HAYDEN. The bill provides a ceiling of \$290,000 on the purchase price. The average rental which is being paid by the Government in the city of Phoenix at this time is \$1.77 per square foot. It varies from less than the \$1 to \$3 per square foot. When this property is acquired, the Federal offices can move from the high-rent sections of the city, where they are presently located. This office space is needed immediately by the Government, and in this way it will be possible to save Federal funds immediately.

Mr. LANGER. If the Senator from Arizona will yield, I should like to inquire whether he made a personal investigation of the matter, and whether after such investigation, he recommends it.

Mr. HAYDEN. I have examined it and I recommend the purchase.

Mr. LANGER. I have no objection.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 718), which had been reported from the Committee on Expenditures in the Executive Departments with an amendment on page 2, line 15, after the word "States," to insert "The rentals and the purchase price to be paid by the United States pursuant to this act shall not exceed \$290,000 in the aggregate," so as to make the bill read:

Be it enacted, etc., That the Administrator of General Services, without regard to the provisions of section 322 of the act of June 30, 1932 (47 Stat. 412), as amended, is authorized to negotiate and enter into a lease-purchase agreement providing for the lease to the United States for a term of 5 years of the Young Men's Christian Association Building and premises in Phoenix, Ariz., being that certain real property located at the

northeast corner of Second Avenue and Monroe Street, having an area of approximately 31,000 square feet, and more particularly described as the south two hundred and twenty feet of the west one hundred and forty feet of block 93 of the city of Phoenix, Maricopa County, Ariz., as shown in book 2 of maps, page 51, together with all structures thereon and appurtenances thereto, and providing further for the vesting in the United States absolutely of title to the leased property upon expiration of the 5-year term.

SEC. 2. The agreement authorized by section 1 shall provide for the payment of rental and other consideration in such amounts and at such times and shall contain such other terms and conditions as the Administrator of General Services in his discretion shall deem to be in the best interest of the United States. The rentals and the purchase price to be paid by the United States pursuant to this act shall not exceed \$290,000 in the aggregate.

SEC. 3. Payments that shall become due from the United States in pursuance of any agreement entered into under the authority of this act shall be paid from appropriations available to the General Services Administration for the payment of rents, and such additional funds as may be necessary to provide for such payments are hereby authorized to be appropriated.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

TRADE AGREEMENTS EXTENSION ACT OF 1951

Mr. HILL. Mr. President, I rise to move that the Senate proceed to the consideration of Calendar 279, House bill 1612, the Reciprocal Trade Agreements Extension Act of 1951.

The VICE PRESIDENT. The clerk will read the bill by title.

The LEGISLATIVE CLERK. A bill (H. R. 1612) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Alabama.

The motion was agreed to, and the Senate proceeded to consider the bill (H. R. 1612), which had been reported from the Committee on Finance with amendments.

Mr. HILL. Mr. President, because of the illness of my good friend and colleague, the Senator from Colorado [Mr. MILLIKIN], it is not proposed to proceed today with the consideration of this bill. It is our intention to have the Senate recess until Monday, and to proceed to the consideration of the bill at that time, with this exception: I understand that the conferees on the part of the Senate may reach an agreement with the House conferees on the third supplemental appropriation bill, which is now in conference, and, if an agreement is reached, the Senator from Arizona, chairman of the conferees on the part of the Senate, may wish on Monday to proceed to the consideration of the conference report. I should like to ask the Senator from Arizona whether I am correct in that statement.

Mr. HAYDEN. That is correct, and I have no doubt that the conference report will be ready by that time.

The VICE PRESIDENT. The Chair reminds Senators that a conference report is privileged.

Mr. HILL. I desired to give notice to the Senate, that on Monday, when the Senate reconvenes, we shall proceed to the consideration of the Trade Agreements Extension Act of 1951, subject, however, to the condition that, if the conferees on the third supplemental appropriation bill have in the meantime agreed on a report, the Senator from Arizona will call up the conference report; which he may do, since, as the Chair states, a conference report is a privileged matter.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its reading clerks, notified the Senate that Mr. NORRELL had been appointed as an additional manager on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3587) making supplemental appropriations for the fiscal year ending June 30, 1951, and for other purposes.

CONFIRMATION OF SUNDRY NOMINATIONS IN THE UNITED STATES COAST GUARD

Mr. JOHNSON of Colorado. Mr. President, as in executive session, from the Committee on Interstate and Foreign Commerce I report favorably the nominations of six persons to be lieutenants in the United States Coast Guard and the nominations of nine persons to be lieutenants (junior grade) in the Coast Guard.

While these are routine nominations, early consideration of them is important for this reason: These men are merchant marine officers (some of them have their masters' licenses) who have been accepted for probationary appointment and training and eventual commissions as officers in the Coast Guard. Upon completion of their indoctrination and training they will engage in merchant marine safety work. They have resigned from their old jobs and are now marking time awaiting confirmation by the Senate. They cannot take their oaths of office and begin their indoctrination until they have been confirmed, and the Coast Guard cannot set up its training class for these men until the Senate acts.

As in executive session, I ask unanimous consent for the immediate consideration of these nominations.

The VICE PRESIDENT. Is there objection?

Mr. HILL. Mr. President, reserving the right to object, may I inquire whether these are merely routine nominations?

Mr. JOHNSON of Colorado. They are routine nominations.

Mr. CHAVEZ. Reserving the right to object—and I shall not object—I should like to ask the distinguished Senator from Colorado a question.

Mr. JOHNSON of Colorado. I yield.

Mr. CHAVEZ. The Senator has stated that these men resigned from their jobs. What jobs have they held, prior to this time?

H. R. 1612

IN THE SENATE OF THE UNITED STATES

MAY 17, 1951

Ordered to lie on the table and to be printed

AMENDMENTS

(IN THE NATURE OF A SUBSTITUTE)

Intended to be proposed by Mr. MALONE to the bill (H. R. 1612) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, viz: Strike out all after the enacting clause and insert in lieu thereof the following:

1 DECLARATION OF POLICY

2 SECTION 1. It is declared to be the policy of the
3 Congress—

4 (a) to facilitate and encourage the importation into
5 the United States of foreign goods and products in
6 quantities sufficient to supply the needs of the United
7 States economy;

8 (b) to foster and provide for the export of the
9 products of American industry and agriculture in quan-
10 tities sufficient to pay for the needed imports;

(c) to develop and promote a well-balanced, integrated, and diversified production within the United States so as to maintain a sound and prosperous national economy and a high level of wages and employment in industry and agriculture;

(d) to provide necessary flexibility of import duties thereby making possible appropriate adjustments in response to changing economic conditions;

(e) to assure the accomplishment of these objectives by returning to and maintaining hereafter in the United States the control over American import duties now subject to international agreements.

RESTATEMENT OF EXISTING IMPORT DUTIES

SEC. 2. Title I, paragraphs 1 to 1559, inclusive, of the Tariff Act of 1930 are hereby amended by repealing the classifications and rates therein contained and substituting therefor the classifications and rates obtaining and in effect on June 30, 1951, by reason of proclamations of the President under section 350 of the Tariff Act of 1930 or otherwise.

FORMATION OF FOREIGN TRADE AUTHORITY

SEC. 3. Title III, part II, section 330, of the Tariff Act of 1930 is hereby amended to read as follows:

1 "SEC. 330. ORGANIZATION OF THE FOREIGN TRADE AU-
2 THORITY.

3 " (a) MEMBERSHIP.—The United States Tariff Com-
4 mission shall be reorganized and reconstituted as the Foreign
5 Trade Authority (hereinafter referred to as the 'Authority')
6 to be composed of six directors to be hereafter appointed
7 by the President by and with the advice and consent of
8 the Senate. The original directors of the Authority shall
9 be the same persons now serving as Commissioners of the
10 United States Tariff Commission, each such person to serve
11 as a director of the Authority until the date when his term
12 of office as a Commissioner of the United States
13 Tariff Commission would have expired. Thereafter the
14 term of office of any successor to any such director
15 shall expire six years from the date of the expiration of
16 the term for which his predecessor was appointed except
17 that a director appointed to fill a vacancy occurring for any
18 reason other than the expiration of a term as herein pro-
19 vided shall be appointed only for the remainder of the
20 term which his predecessor would otherwise have served.
21 Directors shall be eligible for appointment to succeed them-
22 selves if otherwise qualified therefor. No person shall be

1 eligible for appointment as a director unless he is a citizen
2 of the United States, and, in the judgment of the President,
3 is possessed of qualifications requisite for developing expert
4 knowledge of tariff problems and efficiency in administering
5 the provisions of this Act. Not more than three of the
6 directors shall be members of the same political party, and
7 in making appointments members of different political par-
8 ties shall be appointed alternately as nearly as may be
9 practicable.

10 “(b) CHAIRMAN, VICE CHAIRMAN, AND SALARY.—
11 The President shall annually designate one of the directors
12 as Chairman and one as Vice Chairman of the Authority.
13 The Vice Chairman shall act as Chairman in case of absence
14 or disability of the Chairman. A majority of the directors
15 in office shall constitute a quorum, but the Authority may
16 function notwithstanding vacancies. Each director shall
17 receive a salary of \$15,000 a year. No director shall ac-
18 tively engage in any business, vocation, or employment
19 other than that of serving as a director.”

20 APPOINTMENT OF SECRETARY

21 SEC. 4. Title III, part II, section 331 (a), of the
22 Tariff Act of 1930 is hereby amended to read as follows:

23 “(a) PERSONNEL.—The Authority shall appoint a
24 secretary who shall receive compensation in accordance with
25 the Classification Act of 1949, and the Authority is hereby

1 empowered to employ and, in accordance with the Classifi-
2 cation Act of 1949, fix the compensations of such special
3 experts, examiners, clerks, and other employees of the
4 Authority as it may find necessary for the proper perform-
5 ance of its duties.”

6 ADMINISTRATION OF TRADE AGREEMENTS

7 SEC. 5. Title III, part II, of the Tariff Act of 1930 is
8 amended by adding at the end of section 331 the following
9 new section:

10 “SEC. 331A. ADMINISTRATION OF TRADE AGREEMENTS.

11 “(a) All powers vested in, delegated to, or otherwise
12 properly exercisable by the President or any other officer
13 or agency of the United States in respect to the foreign
14 trade agreements entered into pursuant to section 350 of
15 the Tariff Act of 1930 are hereby transferred to, and shall
16 be exercisable by the Authority, including, but not limited
17 to, the right to invoke the various escape clauses, reserva-
18 tions, and options therein contained, and to exercise on
19 behalf of the United States any rights or privileges therein
20 provided for the protection of the interests of the United
21 States.

22 “(b) The Authority is hereby authorized and directed—

23 “(1) to terminate as of the next earliest date
24 therein provided, and in accordance with the terms
25 thereof, all the foreign trade agreements entered into

1 by the United States pursuant to section 350 of the
2 Tariff Act of 1930;

3 “(2) to prescribe, upon termination of any foreign
4 trade agreement, that the import duties established
5 therein shall remain the same as existed prior to such
6 termination, and such import duties shall not thereafter
7 be increased or reduced except in accordance with the
8 Tariff Act of 1930, as amended by this Act.”

9 PERIODIC ADJUSTMENT OF IMPORT DUTIES

10 SEC. 6. Title III, part II, section 336, of the Tariff
11 Act of 1930 is hereby amended to read as follows:

12 **“SEC. 336. PERIODIC ADJUSTMENT OF IMPORT DUTIES.**

13 “(a) The Authority is authorized and directed from
14 time to time, and subject to the limitations hereinafter pro-
15 vided, to prescribe and establish import duties which will,
16 within equitable limits, provide for fair and reasonable com-
17 petition between domestic articles and like or similar foreign
18 articles in the principal market or markets of the United
19 States. A foreign article shall be considered as providing
20 fair and reasonable competition to United States producers
21 of a like or similar article if the Authority finds as a fact
22 that the landed duty paid price of the foreign article in
23 the principal market or markets in the United States is a
24 fair price, including a reasonable profit to the importers,
25 and is not substantially below the price, including a reason-

1 able profit for the domestic producers, at which the like or
2 similar domestic articles can be offered to consumers of the
3 same class by the domestic industry in the principal market
4 or markets in the United States.

5 “(b) In determining whether the landed duty paid
6 price of a foreign article, including a fair profit for the
7 importers, is, and may continue to be, a fair price under
8 subdivision (a) of this section, the Authority shall take into
9 consideration, insofar as it finds it practicable—

10 “(1) The lowest, highest, average, and median
11 landed duty paid price of the article from foreign coun-
12 tries offering substantial competition;

13 “(2) Any change that may occur or may reason-
14 ably be expected in the exchange rates of foreign coun-
15 tries either by reason of devaluation or because of a
16 serious unbalance of international payments;

17 “(3) The policy of foreign countries designed
18 substantially to increase exports to the United States by
19 selling at unreasonably low and uneconomic prices to
20 secure additional dollar credits;

21 “(4) Increases or decreases of domestic production
22 and of imports on the basis of both unit volume of articles
23 produced and articles imported, and the respective per-
24 centages of each;

25 “(5) The actual and potential future ratio of vol-

1 ume and value of imports to volume and value of pro-
2 duction, respectively;

3 “(6) The probable extent and duration of changes
4 in production costs and practices;

5 “(7) The degree to which normal cost relationships
6 may be affected by grants, subsidies, excises, export
7 taxes, or other taxes, or otherwise, in the country of
8 origin; and any other factors either in the United States
9 or in other countries which appear likely to affect pro-
10 duction costs and competitive relationships.

11 “(c) Decreases or increases in import duties designed
12 to provide for fair and reasonable competition between for-
13 eign and domestic articles may be made by the Authority
14 either upon its own motion or upon application of any person
15 or group showing adequate and proper interest in the import
16 duties in question: *Provided, however,* That no change in
17 any import duty shall be ordered by the Authority until after
18 it shall have first conducted a full investigation and presented
19 tentative proposals followed by a public hearing at which
20 interested parties have an opportunity to be heard.

21 “(d) The Authority, in setting import duties so as to
22 establish fair and reasonable competition as herein provided,
23 may, in order to effectuate the purposes of this Act, pre-
24 scribe specific duties or ad valorem rates of duty upon the

1 foreign value or export value as defined in sections 402 (c)
2 and 402 (d) of the Tariff Act of 1930 or upon the United
3 States value as defined in section 402 (e) of said Act.

4 “(e) In order to carry out the purposes of this Act,
5 the Authority is authorized to transfer any article from
6 the dutiable list to the free list, or from the free list to the
7 dutiable list.

8 “(f) Any increase or decrease in import duties ordered
9 by the Authority shall become effective ninety days after
10 such order is announced: *Provided*, That any such order is
11 first submitted to Congress by the Authority and is not dis-
12 approved, in whole or in part, by concurrent resolution of
13 Congress within sixty days thereafter.

14 “(g) No order shall be announced by the Authority
15 under this section which increases existing import duties on
16 foreign articles if the Authority finds as a fact that the
17 domestic industry operates, or the domestic article is pro-
18 duced, in a wasteful, inefficient, or extravagant manner.

19 “(h) The Authority, in the manner provided for in
20 subdivisions (c) and (f) in this section, may impose
21 quantitative limits on the importation of any foreign article,
22 in such amounts, and for such periods, as it finds necessary
23 in order to effectuate the purposes of this Act: *Provided*,
24 *however*, That no such quantitative limit shall be imposed

1 contrary to the provisions of any foreign trade agreement
2 in effect pursuant to section 350 of the Tariff Act of 1930.

3 “(i) For the purpose of this section—

4 “(1) the term ‘domestic article’ means an article
5 wholly or in part the growth or product of the United
6 States; and the term ‘foreign article’ means an article
7 wholly or in part the growth or product of a foreign
8 country;

9 “(2) the term ‘United States’ includes the several
10 States and Territories and the District of Columbia;

11 “(3) the term ‘foreign country’ means any empire,
12 country, dominion, colony, or protectorate, or any sub-
13 division or subdivisions thereof (other than the United
14 States and its possessions) ;

15 “(4) the term ‘landed duty paid price’ means
16 the price of any foreign article after payment of the
17 applicable customs or import duties and other necessary
18 charges, as represented by the acquisition cost to an
19 importing consumer, dealer, retailer, or manufacturer,
20 or the offering price to a consumer, dealer, retailer, or
21 manufacturer, if imported by an agent.

22 “(j) The Authority is authorized to make all needful
23 rules and regulations for carrying out its functions under the
24 provisions of this section.

1 “(k) The Secretary of the Treasury is authorized to
2 make such rules and regulations as he may deem necessary
3 for the entry and declaration of foreign articles with respect
4 to which a change in basis of value has been made under
5 the provisions of subdivision (d) of this section, and for the
6 form of invoice required at time of entry.”

7 AMENDMENT OF SECTION 337

8 SEC. 7. Title III, part II, section 337, of the Tariff
9 Act of 1930 is hereby amended as follows:

10 (a) Subdivision (a) thereof by striking out the word
11 “President” and substituting therefor the word “Authority”.

12 (b) Subdivision (b) thereof is hereby repealed.

13 (c) Subdivision (d) thereof is hereby repealed.

14 (d) Subdivision (e) thereof is hereby amended to read
15 as follows:

16 “(e) EXCLUSION OF ARTICLES FROM ENTRY.—When-
17 ever the existence of any such unfair method or act shall
18 be established to the satisfaction of the Authority, it shall
19 direct that the articles concerned in such unfair methods
20 or acts, imported by any person violating the provisions of
21 this Act, shall be excluded from entry into the United States,
22 and upon information of such action by the Authority, the
23 Secretary of the Treasury shall, through the proper officers,
24 refuse such entry.”

1 (e) Subdivision (f) thereof is hereby amended to
2 read as follows:

3 “(f) ENTRY UNDER BOND.—Whenever the Authority
4 has reason to believe that any article is offered or sought
5 to be offered for entry into the United States in violation
6 of this section, but has not information sufficient to satisfy
7 it thereof, the Secretary of the Treasury shall, upon its
8 request in writing, forbid entry thereof until such investi-
9 gation as the Authority may deem necessary shall be com-
10 pleted; except that such articles shall be entitled to entry
11 under bond prescribed by the Secretary of the Treasury.”

12 (f) Subdivision (g) thereof is hereby amended to read
13 as follows:

14 “(g) CONTINUANCE OF EXCLUSION.—Any refusal of
15 entry under this section shall continue in effect until the
16 Authority shall find and advise the Secretary of the Treasury
17 that the conditions which led to such refusal of entry no
18 longer exist.”

19 CONTINUANCE OF PERSONNEL, FUNDS, ACTIONS,
20 AND SO FORTH

21 SEC. 8. Section 339 of the Tariff Act of 1930 is hereby
22 amended to read as follows:

23 "SEC. 339. EFFECT OF ENACTMENT.

24 “(a) All personnel, property, records, balance of ap-
25 propriations, allocations, and other funds available (or to

1 be made available) to the United States Tariff Commission
 2 shall be transferred to the Authority for use in connection
 3 with the exercise of its functions; and such transfer shall not
 4 operate to change the status of the officers and employees
 5 transferred from the Commission to the Authority. No in-
 6 vestigation or other proceeding pending before the Commis-
 7 sion at such time shall abate by reason of such transfer but
 8 shall continue under the provisions of this Act.

9 “(b) Wherever in the Tariff Act of 1930, or in any
 10 other law, the terms ‘United States Tariff Commission’ or
 11 ‘Commission’ occur, such terms shall be construed to mean
 12 the ‘Foreign Trade Authority’ and the ‘Authority’, respec-
 13 tively.”

14 REAPPLICATION OF SECTION 516 (O)

15 SEC. 9. Section 17, subsection (c), of the Act of June
 16 25, 1938, chapter 679, is hereby repealed.

17 STATISTICAL ENUMERATION

18 SEC. 10. Title IV, part III, section 484 (e), of the
 19 Tariff Act of 1930 is hereby amended to read as follows:

20 “(e) STATISTICAL ENUMERATION.—The Chairman of
 21 the Foreign Trade Authority is authorized and directed to
 22 establish from time to time, after consultation with the Secre-
 23 tary of the Treasury and the Secretary of Commerce, a
 24 statistical enumeration of imported articles in such detail as
 25 he may consider necessary and desirable to effectuate the

1 purposes of this Act. As a part of each entry there shall
2 be attached thereto or included therein an accurate state-
3 ment giving details required for such statistical enumeration.
4 The Secretary of Commerce is hereby authorized and
5 directed to make such reasonable and proper digests from,
6 and compilations of, such statistical data as the Chairman
7 requests. In the event of a disagreement between the
8 Chairman and the Secretary of Commerce, as to the reason-
9 able and proper nature of any request the matter shall be
10 referred to the President whose decision shall be final.”

11 REVISED TEXT OF TARIFF ACT

12 SEC. 11. The Authority, as soon as practicable, shall
13 prepare and cause to be printed as a public document avail-
14 able for public distribution a complete revised text of the
15 Tariff Act of 1930 as amended.

16 EFFECTIVE DATE

17 SEC. 12. This Act shall take effect as of June 30, 1951.

Amend the title so as to read: “A bill to amend the
Tariff Act of 1930, and for other purposes.”

82ND CONGRESS
1ST SESSION

H. R. 1612

AMENDMENTS

(IN THE NATURE OF A SUBSTITUTE)

Intended to be proposed by Mr. MALONE to the bill (H. R. 1612) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

MAY 17, 1951

Ordered to lie on the table and to be printed

Calendar No. 279

82^D CONGRESS
1ST SESSION

H. R. 1612

IN THE SENATE OF THE UNITED STATES

MAY 17, 1951

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. MALONE to the bill (H. R. 1612) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, viz:

- 1 On page 1, line 8, strike out "two years" and insert
- 2 "one year".

82^d CONGRESS
1ST SESSION

H. R. 1612

AMENDMENT

Intended to be proposed by Mr. MARONE to the bill (H. R. 1612) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

MAY 17, 1951

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Calendar No. 279

82^D CONGRESS
1ST SESSION

H. R. 1612

IN THE SENATE OF THE UNITED STATES

MAY 17, 1951

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. MALONE to the bill (H. R. 1612) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, viz:

- 1 On page 3, line 18, after "Defense," insert the follow-
- 2 ing: "from the Committee on Ways and Means of the House
- 3 of Representatives, from the Committee on Finance of the
- 4 Senate,".

82^d CONGRESS
1ST SESSION

H. R. 1612

AMENDMENT

Intended to be proposed by Mr. MALONE to the bill (H. R. 1612) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

MAY 17, 1951

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82^D CONGRESS
1ST SESSION

H. R. 1612

IN THE SENATE OF THE UNITED STATES

MAY 17, 1951

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. MALONE to the bill (H. R. 1612) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, viz:

1 On page 4, beginning in line 7 with the word "Within"
2 strike out through the word "been" in line 9 and insert the
3 following: "No trade agreement under section 350 of the
4 Tariff Act of 1930, as amended, shall be".

5 On page 4, beginning with the comma in line 21, strike
6 out through the word "with" on page 5, line 12.

82ND CONGRESS
1ST SESSION

H. R. 1612

AMENDMENTS

Intended to be proposed by Mr. MARONE to the bill (H. R. 1612) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

MAY 17, 1951

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Calendar No. 279

82^D CONGRESS
1ST SESSION

H. R. 1612

IN THE SENATE OF THE UNITED STATES

MAY 17, 1951

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. MALONE to the bill (H. R. 1612) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, viz:

- 1 On page 5, line 25, after "practicable" insert the follow-
- 2 ing: "(which shall not be later than six months after (1)
- 3 the enactment of this Act, or (2) the occasion for such action
- 4 arises, whichever is later),".

82ND CONGRESS
1ST SESSION

H. R. 1612

AMENDMENT

Intended to be proposed by Mr. MALONE to the bill (H. R. 1612) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

MAY 17, 1951

Ordered to lie on the table and to be printed

H. R. 1612

IN THE SENATE OF THE UNITED STATES

MAY 17, 1951

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. MALONE to the bill (H. R. 1612) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, viz:

1 On page 8, line 19, after the word "practicable" insert
2 the following: "(which shall not be later than twelve months
3 after the enactment of this Act)".

4 On page 8, line 23, after the period insert the follow-
5 ing: "Any trade agreement which cannot be brought into
6 conformity with such policy as provided in this subsection
7 shall be terminated by the President at the earliest date pro-
8 vided for by its terms or by law."

9 On page 9, beginning with line 1, strike out through the
10 comma in line 2 and insert in lieu thereof the following:
11 "Within thirty days after the expiration of twelve months
12 after the enactment of this Act".

82ND CONGRESS
1ST SESSION

H. R. 1612

AMENDMENTS

Intended to be proposed by Mr. MALONE to the bill (H. R. 1612) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

MAY 17, 1951

Ordered to lie on the table and to be printed

Calendar No. 279

82^D CONGRESS
1ST SESSION

H. R. 1612

IN THE SENATE OF THE UNITED STATES

MAY 17, 1951

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. MALONE to the bill (H. R. 1612) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, viz:

- 1 On page 11, line 6, strike out "may" and insert "shall".
- 2 On page 11, beginning in line 10 with the word "If",
- 3 strike out through line 15.

82^d CONGRESS
1st Session

H. R. 1612

AMENDMENTS

Intended to be proposed by Mr. MALONE to the bill (H. R. 1612) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

MAY 17, 1951

Ordered to lie on the table and to be printed

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82^D CONGRESS
1ST SESSION

H. R. 1612

IN THE SENATE OF THE UNITED STATES

MAY 17, 1951

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. MALONE to the bill (H. R. 1612) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, viz:

- 1 On page 11, line 20, after "conclusions" insert "and the
2 reasons therefor".

82ND CONGRESS
1ST SESSION

H. R. 1612

AMENDMENT

Intended to be proposed by Mr. MARONE to the bill (H. R. 1612) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

MAY 17, 1951

Ordered to lie on the table and to be printed

Calendar No. 279

82^D CONGRESS
1ST SESSION

H. R. 1612

IN THE SENATE OF THE UNITED STATES

MAY 17, 1951

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. MALONE to the bill (H. R. 1612) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, viz: On page 13, between lines 6 and 7, insert the following:

1 (c) No reduction in any rate of duty, or binding of
2 any existing customs or excise treatment, or other conces-
3 sion proclaimed under section 350 of the Tariff Act of 1930,
4 as amended, shall be permitted to continue in effect with
5 respect to any agricultural commodity during any period in
6 which a subsidy is being paid with respect to such com-
7 modity, or the price of such commodity is being supported,
8 by any department or agency of the United States.

82D CONGRESS
1ST SESSION

H. R. 1612

AMENDMENT

Intended to be proposed by Mr. MALONE to the bill (H. R. 1612) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

MAY 17, 1951

Ordered to lie on the table and to be printed

Calendar No. 279

82^D CONGRESS
1ST SESSION

H. R. 1612

IN THE SENATE OF THE UNITED STATES

MAY 17, 1951

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. MALONE to the bill (H. R. 1612) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, viz: At the end of the bill add the following new section:

1 SEC. . (a) The third sentence of subsection (a) (2)
2 of section 350 of the Tariff Act of 1930, as amended (the
3 most-favored-nation clause), is amended by striking out "of
4 all foreign countries," and inserting in lieu thereof "only
5 of those foreign countries which are parties to the particular
6 agreements requiring or making appropriate such proclaimed
7 duties and restrictions and shall so apply to such articles".

8 (b) This section shall take effect ninety days after
9 enactment of this Act.

82^d CONGRESS
1ST SESSION

H. R. 1612

AMENDMENT

Intended to be proposed by Mr. MALONE to the bill (H. R. 1612) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

MAY 17, 1951

Ordered to lie on the table and to be printed

Calendar No. 279

82^D CONGRESS
1ST SESSION

H. R. 1612

IN THE SENATE OF THE UNITED STATES

MAY 17, 1951

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. MALONE to the bill (H. R. 1612) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, viz: At the end of the bill add the following new section:

1 SEC. . No foreign trade agreement shall hereafter be
2 negotiated or entered into under section 350 of the Tariff
3 Act of 1930, as amended, with respect to any article unless
4 the principal supplier of such article is a party to such nego-
5 tiations and to such agreement. The principal supplier of
6 any article shall be the country growing, producing, or manu-
7 facturing the largest quantity of such article imported into
8 the United States for consumption during the three calendar
9 years ending last prior to the beginning of such negotiations.

82ND CONGRESS
1ST SESSION

H. R. 1612

AMENDMENT

Intended to be proposed by Mr. MALONE to the bill (H. R. 1612) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

MAY 17, 1951

Ordered to lie on the table and to be printed

H. R. 1612

IN THE SENATE OF THE UNITED STATES

MAY 17, 1951

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. MALONE to the bill (H. R. 1612) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, viz:

1 On page 1, beginning with line 5, strike out through
2 line 24, on page 5, and insert in lieu thereof the following:

3 “SEC. 2. No reduction in any rate of duty, or binding
4 of any existing customs or excise treatment, or other con-
5 cession required or made appropriate by any foreign trade
6 agreement entered into under section 350 of the Tariff Act
7 of 1930, as amended, after enactment of this Act, shall be
8 proclaimed or permitted to continue in effect after the en-
9 actment of this Act.”

10 On page 8, line 9, strike out “hereafter”.

82ND CONGRESS
1ST SESSION

H. R. 1612

AMENDMENTS

Intended to be proposed by Mr. MARONE to the bill (H. R. 1612) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

MAY 17, 1951

Ordered to lie on the table and to be printed

Calendar No. 279

82^D CONGRESS
1ST SESSION

H. R. 1612

IN THE SENATE OF THE UNITED STATES

MAY 21 (legislative day, MAY 17), 1951

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. CONNALLY to the bill (H. R. 1612) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, viz:

- 1 On page 2, line 16, strike out "or directly competitive".
- 2 On page 2, line 19, strike out "or directly competitive".
- 3 On page 4, line 17, strike out "or directly competitive".
- 4 On page 8, line 17, strike out "or directly competitive".
- 5 On page 9, line 17, strike out "or directly competitive".
- 6 On page 10, line 11, strike out "or directly competitive".

82^d CONGRESS
1ST SESSION

H. R. 1612

AMENDMENTS

Intended to be proposed by Mr. CONNALLY to the bill (H. R. 1612) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

May 21 (legislative day, May 17), 1951

Ordered to lie on the table and to be printed

(5) Make formal peace with Japan and allow her to develop her strength. This will lighten our own burden and help fill the vacuum of political power in the Orient.

(6) Proclaim our uncompromising determination to defend the line of the Aleutians, Japan, Okinawa, Formosa, the Philippines, and Singapore by the use of our air and sea power. General MacArthur, in his speech before Congress, confirmed the military feasibility and wisdom of that.

(7) Never again land troops on the continent of Asia.

(8) Support guerrilla action of Chinese Nationalists so they can deal out some of the same kind of misery to the Peiping government that the Communists used to hand to the Nationalists.

(9) Maintain a friendly Chinese Government in Formosa in much the same way the British maintained Louis XVIII, to use when the time becomes more appropriate.

(10) Bear in mind that organized Communist power cannot be defeated in China, and can be defeated only at its source—in the Soviet Union.

Such a policy as outlined definitely seeks to limit our objectives and to accept a peace without victory. After fighting two world wars the American people should surely realize by now that military victory does not necessarily bring peace. Yet the above recommendations refuse to accept a defeat, but are militarily and politically feasible and within the limits of our strength.

Meanwhile, the war in Korea goes on. General MacArthur is due to testify before Congress, which is something he ought to have done at least 2 years ago. The chances are that Secretary Acheson is on the way out.

Events are thus carrying the country rapidly toward a decision. If we use restraint and wisdom, the influence of General MacArthur's return can generate a successful solution of this distressing problem. On the other hand, if we lose self-control, succumb to popular clamor, and make an impulsive decision representing wishful thinking, we can shout ourselves into perhaps the greatest cataclysm in all history, where we shall see in months—not years—what we call civilization destroyed before our very eyes.

ACQUISITION AND DISPOSITION OF CERTAIN LAND BY ARMY, NAVY, AND AIR FORCE—VETO MESSAGE (H. DOC. NO. 133)

The VICE PRESIDENT laid before the Senate a message from the House of Representatives, which was read by the legislative clerk, as follows:

IN THE HOUSE OF REPRESENTATIVES,
UNITED STATES,
May 17, 1951.

The House of Representatives having proceeded to reconsider the bill (H. R. 3096) entitled "An act relating to the acquisition and disposition of land and interests in land by the Army, Navy, Air Force, and Federal Civil Defense Administration," returned by the President of the United States with his objections, to the House of Representatives, in which it originated, it was

Resolved, That the said bill pass, two-thirds of the House of Representatives agreeing to pass the same.

The VICE PRESIDENT laid before the Senate the message from the President of the United States, which was read by the legislative clerk.

(For President's message, see proceedings of the House of Representatives of May 15, 1951, pp. 5498-5499, CONGRESSIONAL RECORD.)

The VICE PRESIDENT. The question is, Shall the bill pass, the objections of the President to the contrary notwithstanding?

Mr. McFARLAND. Mr. President, I ask that the message lie on the table.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arizona? The Chair hears none, and the message from the President and the bill will lie on the table, and the bill will be printed in the RECORD.

The bill is as follows:

Be it enacted, etc., That the Secretary of the Army, the Secretary of the Air Force, the Secretary of the Navy, or the Administrator of the Federal Civil Defense Administration, as the case may be, or his designee, shall come into agreement with the Committee on Armed Services of the Senate and of the House of Representatives with respect to those real-estate actions by or for the use of the military departments or the Federal Civil Defense Administration that are described in (a) through (e) below, and in the manner therein described.

(a) Acquisitions of real property where fee title is to be acquired. The agreement to be reached with respect to the acquisitions described in this subsection shall be based on general plans for the project, which shall include an estimate of the total cost of the lands to be acquired.

(b) All leases to the United States of real property having an annual rental in excess of \$10,030. In those cases where the project involves a group of individual leases, the agreement to be reached shall be based on general plans for the project, which shall include an estimate of the total cost of leasing such lands.

(c) Leases of Government-owned real property where the annual rental is in excess of \$10,000, except that agreement with the committees shall not be required with respect to leases for agricultural or grazing purposes.

(d) All transfers of Government-owned real property under the jurisdiction of the military departments or the Federal Civil Defense Administration to other Federal agencies, or to States, including those transfers between the military departments.

(e) All reports of excess Government-owned real property to a disposal agency.

SEC. 2. This act shall apply only to real property within the continental limits of the United States, the Territory of Alaska, the Territory of Hawaii, and Puerto Rico. This act shall not apply to real property pertaining to river and harbor and flood-control projects.

SEC. 3. A recital of compliance with this act in any instrument of conveyance, including leases, to the effect that the requirements of this act have been complied with or, in the alternative, that the conveyance or lease is not affected by this act shall be conclusive evidence thereof.

SEC. 4. Section 407 of the act approved January 6, 1951 (Public Law 910, 81st Cong.), and the second proviso contained in the first section of the act entitled "An act to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes," approved April 4, 1944 (58 Stat. 190), are hereby repealed.

SEC. 5. This act shall take effect on July 1, 1951, and may be cited as the "Defense Land Transfer Act."

Mr. WHERRY. Mr. President, I inquire of the Senator from Arizona if he knows when the Senate may take up the veto message?

Mr. McFARLAND. I shall have to consult with the chairman of the committee. He has not indicated to me. The only thing he wanted me to ask was that the message lie on the table.

Mr. WHERRY. Several Senators on this side of the aisle are very much interested in it. If the consideration of

the message were going over for a day or two, I could at least tell them that.

Mr. McFARLAND. We shall try to give notice.

TRADE AGREEMENTS EXTENSION ACT OF 1951

The Senate resumed the consideration of the bill (H. R. 1612) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

Mr. GEORGE. Mr. President, I ask that Mr. Winthrop G. Brown, of the State Department, be permitted to occupy a seat on the floor of the Senate during the consideration of the pending bill.

The VICE PRESIDENT. Without objection, it is so ordered. The Secretary will state the first committee amendment.

The LEGISLATIVE CLERK. On page 1, line 8, after the word "of", it is proposed to strike out "three" and insert "two."

Mr. McFARLAND. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hendrickson	McCarthy
Anderson	Hennings	McClellan
Bennett	Hickenlooper	McFar and
Benton	Hill	McKellar
Brewster	Hoey	McMahon
Bricker	Humphrey	Neely
Bridges	Hunt	Nixon
Butler, Nebr.	Jenner	O'Connor
Byrd	Johnson, Colo.	O'Mahoney
Cain	Johnson, Tex.	Robertson
Capehart	Johnston, S. C.	Russell
Carlson	Kem	Saltonstall
Case	Kerr	Schoeppel
Clements	Kilgore	Smathers
Connally	Knowland	Smith, Maine
Cordon	Langer	Smith, N. J.
Dirksen	Lodge	Smith, N. C.
Duff	Long	Sparkman
Dworshak	Magnuson	Stennis
Eastland	Malone	Taft
Ellender	Martin	Thye
Ferguson	Millikin	Underwood
Frear	Monroney	Welker
Fulbright	Moody	Wherry
George	Morse	Wiley
Gillette	Mundt	Young
Hayden	Murray	

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Illinois [Mr. DOUGLAS], the Senators from Rhode Island [Mr. GREEN and Mr. PASTORE], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from South Carolina [Mr. MAYBANK] are absent on official business.

The Senator from Florida [Mr. HOLLAND] is absent by leave of the Senate.

The Senator from New York [Mr. LEHMAN] is absent by leave of the Senate on official business, having been appointed a member of the United States delegation to the World Health Organization, which is meeting in Geneva, Switzerland.

The Senator from Nevada [Mr. McCARRAN] is absent by leave of the Senate on official business.

Mr. SALTONSTALL. I announce that the Senator from Maryland [Mr. BUTLER], the Senator from Montana [Mr. ECTON], the Senator from Vermont [Mr. FLANDERS], the Senator from New York [Mr. IVES], and the Senator from New

Hampshire [Mr. TOBEY] are absent on official business.

The Senator from Utah [Mr. WATKINS] is absent because of illness.

The Senator from North Dakota [Mr. YOUNG] is absent by leave of the Senate.

The VICE PRESIDENT. A quorum is present.

Mr. GEORGE. Mr. President, I believe that customarily committee amendments are considered first, but I ask unanimous consent that the committee amendments be considered first, before considering other amendments.

The VICE PRESIDENT. The Chair may say that that is unnecessary.

Mr. GEORGE. I understand that it is unnecessary. I was simply making a formal request.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. GEORGE. Mr. President, the Committee on Finance has held extended hearings on H. R. 1612, a bill to extend the authority of the President to negotiate trade agreements under section 350 of the Tariff Act of 1930, as amended. It has reported the bill favorably with certain amendments. The committee amendments are recommended unanimously.

The trade agreements program has become a fundamental part of our foreign policy. It has been the instrument under which the United States has cooperated with other nations of the world in the reduction of tariffs and other trade barriers. It has become to other countries the symbol of determination of the United States to continue its leadership and active participation in that work. It has been considered and renewed by the Congress six times.

I think it can fairly be said that this program commands the support of the vast majority of the American people and of the Members of the Congress. While there has been some disagreement as to the merits of the way in which the program has been administered, there has been little disagreement with the basic validity of the principles which underlie it. We have long ago rejected isolationism in international trade and commerce. We realize that exports are vital to the prosperity of our industry and our farms and to the strength of our friends abroad. We understand that if we are to sell, we must buy. We know that a prolonged excess of exports over imports is not a favorable balance of trade. We know that we cannot be self-sufficient, and that it would not be to our best interests to be so, even were it possible. We recognize that a fruitful international trade is as vital to the prosperity of our own Nation and other friendly nations as domestic trade is to the various communities within our own borders.

So, what we are debating is not a matter of objective or of principle, but a matter of method. I think this has been clearly shown by the fact that while there have been closely divided votes in the Congress on many amendments offered in the successive renewals of the act, the final passage of the bill has been by ever-increasing majority in both Houses.

Therefore, I shall not take the time of the Senate to discuss at any length the principles underlying the act or the reasons why it is important that it be continued. I shall make only two points in this connection, and shall then discuss the amendments which have been recommended by the committee.

The first point I should like to make is that the growing importance and influence of the United States in the world and the consequent increasing influence of our economic policies upon the economic and political situations of other friendly countries make it increasingly important that we maintain leadership in the work of building the kind of international trade in which the free nations can best prosper and the private enterprise in which we believe can have the best opportunity to flourish. This is true despite the difficult and disturbed conditions which exist today, because we must work to build not only immediate defenses, but the long-term strength and unity of the free world.

One of the major elements in this task is the effort to reduce unnecessary governmental barriers to international trade upon which so much of world prosperity depends. The United States has been a leader in this effort almost since the original enactment of the Trade Agreements Act. Great progress has been made, culminating in the agreements at Geneva, Annecy and now at Torquay—negotiations at which agreement was reached upon the tariff treatment of well over half the trade of the entire world. The results there achieved would not have been possible had it not been for the active participation of the United States.

It is not expected that there will be another major conference, such as those I have mentioned, within the life of the extension of the act. It is nevertheless essential that the act be extended to make clear the continued intention of this country to participate in whatever way is practical and appropriate in the improvement of international trading conditions.

If the Trade Agreements Act were not to be renewed, this would be far more than a failure to act. It would amount, in the eyes of the world, to a positive rejection by the United States of a liberal trade policy.

My second point is that although there are not expected to be any major tariff negotiations during the life of this extension, adjustments in existing agreements will, however, undoubtedly be desirable from time to time. Moreover, it is possible that it may be desirable to negotiate with one or two countries not represented at Torquay, either for their accession to the general agreement on tariffs and trade or bilaterally. It is also possible that some negotiations may develop in connection with efforts to promote greater integration in Europe which will involve some products in which we are interested and in which it would be to our advantage to participate on a limited scale. For this practical purpose, the President must have the authority conferred by the bill which is now before the Senate.

I have said that a number of questions have been raised in the past as to the way in which the program has been administered, and doubt has been expressed as to whether there have been adequate safeguards in the act itself against possible injury to domestic industry or agriculture.

It will be noted that the bill as reported contains a number of amendments. These amendments are designed to introduce into the law itself some of the safeguards which are already being employed as a matter of Executive discretion, and some new safeguards.

A number of the amendments proposed by the committee are based in the first instance on amendments adopted by the House. Others are suggested for the first time by the committee.

In the first place, the bill as passed by the House would have extended the act for 3 years. The committee believes that because of the uncertainty in the economic conditions of the world today, it would be desirable to review the operation of the act at an earlier date, and has, therefore, recommended an extension for only 2 years.

The committee has adopted the peril-point amendment approved by the House, with certain minor modifications designed to make clear that the Tariff Commission should not be in any way hampered in fulfilling its fact-supplying functions during and at the scene of trade-agreement negotiations. The Senate is already very familiar with this amendment, as it was debated in both the Eightieth and Eighty-first Congresses.

The House-approved bill would have required the President to withdraw within 90 days the benefit of future tariff concessions from Communist areas. The Committee on Finance has broadened this amendment to include all concessions, past, present, and future, and has made the withdrawal of the benefit mandatory only when such action is practicable. It has also made it possible for the President, if he considers it advisable, merely to suspend the benefit of those concessions, so that countries which appear to be throwing off the yoke of communism may be quickly restored to most-favored-nation status.

The bill as reported by the committee contains an amendment dealing with the important matter of the escape clause and trade agreements. The committee believes that it has substantially improved the House amendment on this point by eliminating certain weaknesses which would have complicated its administration.

In general, this amendment is designed to allow the greatest possible freedom in the operation of existing and future trade agreements without resultant serious injury to domestic producers. It directs the President to insert an escape clause in all future agreements and, as soon as practicable, in all past agreements. He must report to Congress on action taken by him in this respect.

Recognizing, however, the varying situations which exist in our trade relations with different countries at different times, the committee places no time

limit upon the President, and makes the principle of including the escape clause in existing agreements mandatory only if such action would be practicable. This is to make sure that no important interest in this country will be jeopardized by action which might be unwise or precipitate under the circumstances.

The bill as passed by the House directed the Tariff Commission to make an investigation when requested to do so by the President or any interested party or upon its own motion. The committee has strengthened this amendment by directing the Tariff Commission to make an investigation upon resolution of either House of Congress or of the Committee on Finance or the Committee on Ways and Means.

The committee has made substantial improvements in the House-approved amendment with regard to the factors to be considered by the Tariff Commission in determining whether imports are seriously injuring or threatening to injure any domestic industry. The reported amendment states that certain factors, without excluding others, are to be taken into consideration, but it does not require that those factors be conclusive evidence.

In its investigation, the Tariff Commission is to determine whether imports are entering in relatively increased quantities based on a representative period prior to the granting of the concession in question. The term "relatively increased quantities" is used in the broadest sense. It is conceivable that, because of a sharp decline in domestic consumption of a commodity, a domestic industry may be seriously injured by imports even though those imports were declining. The term "relatively" was used to allow escape action even though imports, as well as domestic output, are declining.

If, after the Tariff Commission has completed its investigation, the President does not take the escape action recommended by it, he must submit a report to the Committee on Ways and Means and the Committee on Finance stating why he has not made the adjustments or modifications recommended. The Tariff Commission, if it dismisses an application without a full investigation, must make and publish a report stating its findings and conclusions.

The Committee on Finance is also recommending two important amendments relating to agricultural products.

The committee did not approve the House amendment which would have prevented tariff concessions from applying to imported agricultural commodities being sold under a price-support program. It was felt that the intermittent application and withdrawal of price supports would make it impossible to make tariff concessions on the agricultural products concerned and therefore to get any worth-while tariff concessions from other countries on the agricultural products we send to them. It was felt that the uncertainties growing out of the operations contemplated by the House amendment would not help, but would rather interfere with and obstruct the normal trade in price-supported prod-

ucts and in the long run cost the United States more money.

The committee, however, adopted two amendments which were not in the House bill. The first of these recognizes that in the case of perishable agricultural commodities it may be necessary to take emergency action under section 22 of the Agricultural Adjustment Act or under the escape provisions of this bill to prevent loss or material interference with orderly marketing. A provision to that effect has therefore been included in an amendment which provides that when emergency action is reported to the Tariff Commission and to the President as necessary by the Secretary of Agriculture, the Tariff Commission shall make an immediate investigation and report and the President make his decision within 20 days after the Secretary of Agriculture has filed his report. The President need not await the report of the Tariff Commission if in his judgment the emergency requires earlier action.

Another amendment of great importance was the amendment suggested by the Senator from Washington [Mr. MAGNUSON] which, as the Senate knows, had already twice been adopted by the Senate in connection with other legislation. This amendment is designed to protect the full operation of section 22 of the Agricultural Adjustment Act which now, in subsection (f), contains certain limitations upon the full scope of its use by reason of the provisions of our trade agreements.

Mr. AIKEN. Mr. President, will the Senator yield?

THE PRESIDING OFFICER (Mr. SMITH of North Carolina in the chair). Does the Senator from Georgia yield to the Senator from Vermont?

Mr. GEORGE. I yield.

Mr. AIKEN. I was wondering whether section 8 covered only perishable farm commodities. As I understand it, it covers only perishable farm commodities. It does not apply to wheat or rye, excessive imports, of which sometimes create a little trouble. Were there any demands to have the nonperishable farm commodities included in the bill?

Mr. GEORGE. I will say there was very little demand. The farm organizations did not make such a demand. There was a demand to deal with the perishable commodities.

Mr. AIKEN. That would cover potatoes, apples, and tomatoes?

Mr. GEORGE. Yes, potatoes, apples, and tomatoes, and various other perishables.

Mr. AIKEN. It would cover, would it not, perishable commodities that could easily demoralize the market?

Mr. GEORGE. Yes. It was thought that the amended escape clause would give ample protection.

Mr. AIKEN. That is, section 7?

Mr. GEORGE. Yes.

Mr. AIKEN. I thank the Senator.

Mr. GEORGE. Mr. President, I was discussing section 22, and I will restate a part of what I said because it is most important. Subsection (f) of section 22 contains certain limitations upon the full scope of its use by reason of the provisions of our trade agreements.

That is, that was the way the matter stood before the amendment was recommended by the committee. The amendment recommended by the committee reverses this situation, and provides that if a case should arise where required action under section 22 would conflict with any trade agreement, then the action under section 22 shall prevail. The committee, of course, assumes that where a choice of remedies under section 22 makes it possible, the President will probably choose a course not incompatible with our foreign commitments.

The committee believes that these two amendments will provide important safeguards for our agricultural producers and will provide them with all the protection they need, without incurring the marked disadvantages for American agriculture which would have been involved in the House-approved amendment.

Finally, the Committee on Finance proposes an amendment restoring the right of domestic producers to appeal to a customs court if they feel they are being injured by the classification of an imported article, a right which had been terminated by the original Trade Agreements Act of 1934 insofar as products covered in trade agreements were concerned.

However, there has been an amendment of that act, section 516, which in the opinion of the committee justified the restoration of this privilege to the domestic producers; that is, the privilege of appealing from a classification ruling made by our authorities.

It also makes it clear that the passage of this measure will not indicate the approval or disapproval by the Congress of the executive agreement known as the General Agreement on Tariffs and Trade.

The last two amendments are explained in the committee report and I need not take the time of the Senate to discuss them more fully.

It is my conviction, and I believe the conviction of the full committee, that the bill proposed will reaffirm the determination of the United States to participate fully in constructive leadership in the work of improving the conditions of world trade and will, at the same time, provide substantial improvements in the method of administering the program which will give all proper and reasonable safeguards to legitimate domestic interests. The safeguards contained in this measure are, of course, in addition to and not in substitution for the careful procedures already followed by the administration in the way of public notice, public hearing, careful administration and study, and so forth.

I am happy to advise the Senate that the recommendations of the committee are unanimous. I believe that it is the first time in the history of the trade agreements program that a unanimous report has been rendered on renewal of the Trade Agreements Act by the Committee on Finance.

It is the unanimous recommendation of the committee and my most earnest recommendation and hope that the bill, as amended by the committee, be passed.

Of course, from time to time, individual situations have been brought to the attention of the committee, and with respect to which the committee was impressed that the complainants were entitled to some remedy. With the amendments now in the bill it would seem to the committee, at least, that the way is open for corrective legislation in individual cases where really meritorious grounds have been established for relief.

Mr. President, I now ask unanimous consent for approval of all the committee amendments en bloc, with the full right, of course, of any Senator subsequently to move to amend or to disagree, as he would be entitled to do if we were to approve the committee amendments one by one.

THE PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The committee amendments agreed to en bloc are as follows:

On page 1, line 8, after the word "of", to strike out "three" and insert "two"; on page 3, after line 19, to strike out:

"Sec. 4. The Commission shall furnish facts, statistics, and other information at its command to officers and employees of the United States preparing for or participating in the negotiation of any foreign trade agreement; but neither the Commission nor any member, officer, or employee of the Commission shall participate in any manner (except to report findings, as provided in sec. 3 of this act and to furnish facts, statistics, and other information as required by this section) in the making of decisions with respect to the proposed terms of any foreign trade agreement or in the negotiation of any such agreement."

On page 4, line 7, to change the section number from "5" to "4"; on page 5, after line 12, to strike out:

"Sec. 6. As soon as practicable, but not more than 90 days after enactment of this act, the President shall take such action as is necessary to withdraw or prevent the application of reduced tariffs or other concessions (including the binding of an article on the free list) contained in any trade agreement hereafter entered into under authority of section 350 of the Tariff Act of 1930, as amended and extended, to imports from the Union of Soviet Socialist Republics and to imports from any nation or area thereof which the President deems to be dominated or controlled by the foreign government or foreign organization controlling the world Communist movement."

And in lieu thereof to insert the following:

"Sec. 5. As soon as practicable, the President shall take such action as is necessary to suspend, withdraw, or prevent the application of any reduction in any rate of duty, or binding of any existing customs or excise treatment, or other concession contained in any trade agreement entered into under authority of section 350 of the Tariff Act of 1930, as amended and extended, to imports from the Union of Soviet Socialist Republics and to imports from any nation or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement."

On page 6, after line 9, to strike out:

"Sec. 7. (a) If in the course of a trade agreement any product on which a concession has been granted is being imported into the territory of one of the contracting parties in such increased quantities or under such conditions as to cause or threaten serious injury to domestic producers in that territory of like or directly competitive products, the contracting parties shall be free, in respect

of such product, and to the extent and for such time as may be necessary to prevent or remedy such injury, to suspend the concession in whole or in part, to withdraw or modify the concession, or to establish import quotas.

"(b) Upon the request of the President, upon its own motion, or upon application of any interested party the United States Tariff Commission shall make an investigation to determine whether any article upon which a concession has been granted under a trade agreement to which a clause similar to that provided in subsection (a) of this section is applicable, is being imported under such relatively increased quantities or under such conditions as to cause or threaten serious injury to a domestic industry or a segment of such industry which produces a like or directly competitive article.

"In the course of any such investigation the Tariff Commission shall hold hearings, giving reasonable public notice thereof, and shall afford reasonable opportunity for parties interested to be present, to produce evidence, and to be heard at such hearings.

"Should the Tariff Commission find, as the result of its investigation and hearings, that serious injury is being caused or threatened through the importation of the article in question, it shall recommend to the President, the withdrawal or modification of the concession, its suspension in whole or in part, or the establishment of import quotas, to the extent and for such time as may be necessary to prevent or remedy such injury.

"(c) When in the judgment of the Tariff Commission no sufficient reason exists for such a recommendation to the President it shall, after due investigation and hearings, make a finding in support of its denial of the application, setting forth the facts which have led to such conclusion. This finding shall set forth the level of duty below which, in the Commission's judgment, serious injury would occur or threaten.

"In arriving at a determination in the foregoing procedure the Tariff Commission shall deem a downward trend of production, employment and wages in the domestic industry concerned, or a decline in sales and a higher or growing inventory attributable in part to import competition, to be evidence of serious injury or a threat thereof."

On page 8, after line 6, to insert:

"Sec. 6. (a) No reduction in any rate of duty, or binding of any existing customs or excise treatment, or other concession hereafter proclaimed under section 350 of the Tariff Act of 1930, as amended, shall be permitted to continue in effect when the product on which the concession has been granted is, as a result, in whole or in part, of the duty or other customs treatment reflecting such concession, being imported into the United States in such relatively increased quantities (compared to a representative period prior to the concession) as to cause or threaten serious injury to the domestic industry producing like or directly competitive products.

"(b) The President, as soon as practicable, shall take such action as may be necessary to bring trade agreements heretofore entered into under section 350 of the Tariff Act of 1930, as amended, into conformity with the policy established in subsection (a) of this section.

"On or before January 10, 1952, and every 6 months thereafter, the President shall report to the Congress on the action taken by him under this subsection.

"Sec. 7. (a) Upon the request of the President, upon resolution of either House of Congress, upon resolution of either the Committee on Finance of the Senate or the Committee on Ways and Means of the House of Representatives, upon its own motion, or upon application of any interested party, the United States Tariff Commission shall make

an investigation to determine whether any product upon which a concession has been granted under a trade agreement is, as a result, in whole or in part, of the duty or other customs treatment reflecting such concession, being imported into the United States in such relatively increased quantities (compared to a representative period prior to the concession) as to cause or threaten serious injury to the domestic industry producing like or directly competitive products.

"In the course of any such investigation, whenever it finds evidence of serious injury or threat of serious injury or whenever so directed by resolution of either the Committee on Finance of the Senate or the Committee on Ways and Means of the House of Representatives, the Tariff Commission shall hold hearings giving reasonable public notice thereof and shall afford reasonable opportunity for interested parties to be present, to produce evidence, and to be heard at such hearings.

"Should the Tariff Commission find, as the result of its investigation and hearings, that a product on which a concession has been granted is, as a result, in whole or in part, of the duty or other customs treatment reflecting such concession, being imported in such relatively increased quantities (compared to a representative period prior to the concession) as to cause or threaten serious injury to the domestic industry producing like or directly competitive products, it shall recommend to the President the withdrawal or modification of the concession, its suspension in whole or in part, or the establishment of import quotas, to the extent and for the time necessary to prevent or remedy such injury. Within 60 days, or sooner if the President has taken action under subsection (c) of this section, the Tariff Commission shall transmit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives an exact copy of its report and recommendations to the President.

"(b) In arriving at a determination in the foregoing procedure the Tariff Commission, without excluding other factors, shall take into consideration a downward trend of production, employment, prices, profits, or wages in the domestic industry concerned, or a decline in sales, an increase in imports, either actual or relative to domestic production, a higher or growing inventory, or a decline in the proportion of the domestic market supplied by domestic producers.

"(c) Upon receipt of the Tariff Commission's report of its investigation and hearings, the President may make such adjustments in the rates of duty, impose such quotas, or make such other modifications as are found and reported by the Commission to be necessary to prevent or remedy serious injury to the respective domestic industry. If the President does not take such action within 60 days he shall immediately submit a report to the Committee on Ways and Means of the House and to the Committee on Finance of the Senate stating why he has not made such adjustments or modifications, or imposed such quotas.

"(d) When in the judgment of the Tariff Commission no sufficient reason exists for a recommendation to the President that a concession should be withdrawn or modified or a quota established, it shall make and publish a report stating its findings and conclusions."

On page 11, after line 20, to strike out: "Sec. 8. Section 350 of the Tariff Act of 1930, as amended, is hereby amended by adding at the end thereof the following new subsection:

"(e) No reduced tariff or other concession resulting from a trade agreement entered into under this section shall apply with respect to any agricultural commodity for which price support is available to producers in the United States unless the sales

prices (as determined from time to time by the Secretary of Agriculture) for the imported agricultural commodity within the United States after the application of such reduced tariff or other concession exceed the level of such price support."

And on page 12, after line 7, to insert:

"Sec. 8. (a) In any case where the Secretary of Agriculture determines and reports to the President and to the Tariff Commission with regard to any agricultural commodity that due to the perishability of the commodity a condition exists requiring emergency treatment, the Tariff Commission shall make an immediate investigation under the provisions of section 22 of the Agricultural Adjustment Act, as amended, or under the provisions of section 7 of this Act to determine the facts and make recommendations to the President for such relief under those provisions as may be appropriate. The President may take immediate action however, without awaiting the recommendations of the Tariff Commission if in his judgment the emergency requires such action. In any case the report and findings of the Tariff Commission and the decision of the President shall be made at the earliest possible date and in any event not more than 20 calendar days after the submission of the case to the Tariff Commission.

"(b) Subsection (f) of section 22 of the Agricultural Adjustment Act, as amended, is hereby amended to read as follows:

"(f) No trade agreement or other international agreement heretofore or hereafter entered into by the United States shall be applied in a manner inconsistent with the requirements of this section."

"Sec. 9. (a) The second sentence of section 2 (a) of the act entitled 'An act to amend the Tariff Act of 1930,' approved June 12, 1934, as amended, is amended by striking out the word 'sections' and inserting in lieu thereof the word 'section' and by striking out 'and 516 (b).'

"(b) Subsection (c) of section 17 of the Customs Administrative Act of 1938, as amended, is hereby repealed.

"Sec. 10. The enactment of this act shall not be construed to determine or indicate the approval or disapproval by the Congress of the Executive Agreement known as the General Agreement on Tariffs and Trade."

Mr. NEELY. Mr. President, will the Senator yield?

Mr. GEORGE. I yield to the Senator from West Virginia.

Mr. NEELY. Will the distinguished Senator from Georgia please turn to section 7, page 2, of the committee report and from his profound knowledge of the entire complicated subject of reciprocal trade agreements favor us with his opinion in the following: If a pottery or glass factory in West Virginia should be shut down because of irresistible foreign competition, would it be possible under the pending bill, if it became a law, for the employees as well as the employer to have the Tariff Commission make the investigation required by the circumstances of the case?

Mr. GEORGE. Yes; entirely so, because it is expressly provided in this amendment that the application may be made by any interested party. Then the whole procedure under the escape clause comes into effect.

Mr. NEELY. Can the able Senator give us an estimate of the length of time required to obtain justifiable relief? Would it be a period of weeks, months, or years?

Mr. GEORGE. I think it is impossible to indicate the exact time; but under the procedure set forth it certainly ought to be made with considerable dispatch as compared with the procedure heretofore involved when an application was made invoking the escape clause in the Trade Agreements Act. More standards are provided. An effort is made in the escape clause to rationalize conditions as they actually are faced by our industries. Certain evidence is declared to be pertinent and may be admitted. It is not conclusive, and it is not exclusive of other evidence.

Among the standards set forth, it will be seen that the Tariff Commission, without excluding other factors, shall take into consideration the downward trend of production, employment, prices, profits, or wages in the domestic industry concerned, decline in sales, increase in imports, either actual or relative to domestic production, a higher or growing inventory, or a decline in the proportion of the domestic market supplied by the domestic producer. The bill provides that the escape clause may be invoked by either the House or the Senate, or by the Finance Committee of the Senate, or the Ways and Means Committee of the House, or by the Tariff Commission itself, and especially by any interested party to a trade agreement.

So it seems that at least it would be possible to contemplate a reasonable determination of the question and a reasonably early decision. I believe that such a result may with justification be expected.

Mr. NEELY. Does the distinguished Senator believe that if the bill should be enacted into law, the duration of a trade agreement injury to a glass factory or pottery would be reduced as much as 50 percent?

Mr. GEORGE. I think so. I think it would be quite possible to reduce the time, and to arrive at a final decision with reasonable dispatch.

Mr. NEELY. I sincerely thank the Senator from Georgia for the encouraging information he has most courteously supplied.

PRESIDENT'S POWER ABSOLUTE

Mr. MALONE. Mr. President, will the Senator yield?

Mr. GEORGE. I was about to yield the floor.

Mr. MALONE. I should like to ask the distinguished Senator from Georgia a question.

Mr. GEORGE. I yield.

Mr. MALONE. The committee amendments have already been adopted by the Senate. Does the bill, regardless of any of the amendments which were reported by the committee and which have been adopted, leave the matter of trade agreements to the discretion of the President, in the same manner as was true before the inclusion of the amendments? That is to say, if the President wishes to exercise his discretion and proceed with a trade agreement, without regard to the amendments, is it true that he may do so?

Mr. GEORGE. I think if the Senator will carefully notice the peril-point amendment, he will see that the discretion of the President is pretty severely restricted. There is no absolute discretion to disregard the findings of the Tariff Commission. With respect to that particular matter, if the President does not follow the recommendation of the Tariff Commission he must submit his report to the two tax committees of the Congress—and that means to the Congress, of course.

Mr. MALONE. Then, if he exercises his discretion and proceeds with a trade agreement, he may do so within the limits of the 50-percent reduction allowed him—the second 50 percent meaning approximately 75-percent over-all.

Mr. GEORGE. That is true. Nevertheless, his discretion is considerably limited and restricted by this amendment, and is intended to be. It is further definitely restricted, as I see it, by the escape clause which has been inserted in this bill, because under the escape clause it would be quite possible for an industry actually threatened with an injury to escape. So I think when we consider all the amendments, we have placed a considerable restriction upon the power of the President to proceed arbitrarily—if it is assumed that he would proceed arbitrarily in fixing tariffs.

Mr. MALONE. It is an embarrassment rather than a restriction upon his going ahead, is it not? In other words, he may go ahead if he wishes to do so, but he must write a letter to Congress or to the committees explaining his stand, if he exceeds the peril points set by the Tariff Commission.

Mr. GEORGE. He must not only make a report, if he does disregard the peril-point provision, for example, but under the amendments the way has been opened, as I believe experience will demonstrate, for rather wide congressional action in the future in dealing with tariffs. It is true that the power would still rest in the President.

Mr. MALONE. The absolute power, that is?

Mr. GEORGE. Yes; that is correct.

Mr. MALONE. What would be opened up in the future for congressional action? Is it not correct to say that if we were to extend the act for two more years it would be opened up at the end of 2 years, and that is all?

Mr. GEORGE. The committee has recommended that the act be extended for 2 years only. The House recommended a 3-year extension.

Mr. MALONE. Yes; I understand. Of course, Congress could repeal the act at any time within the 2 years, I suppose. However, under the bill there would be no opening up until the 2 years had expired. Is that correct?

Mr. GEORGE. I did not quite understand the Senator's question.

Mr. MALONE. The Senator said that the way would be opened up for legislative action by Congress. The way would be opened only at the expiration of 2 years, in the same manner that it was

opened at the expiration of the 3 years, when the act was formerly extended.

Mr. GEORGE. I wish to invite the Senator's attention to a very important fact. Under the pending bill Congress would be able to initiate an escape clause action. It is a very important consideration. Such power would be placed in the hands of Congress. In certain other respects, particularly with reference to the Soviet Union and its satellite countries, the provisions of the bill would enable Congress to act, whereas at the present time it could not act without some embarrassment, at least, or hindrance.

Mr. MALONE. Mr. President, if the distinguished Senator from Georgia will yield further, I believe he has now arrived at the result of the committee amendments, namely, that it would embarrass the President, or, at least, it would embarrass an ordinary President. Certainly there is no record of any embarrassment to the present President.

Mr. GEORGE. I did not use the word "embarrassment" in connection with the President. I said that under the provisions of the bill with respect to the Soviet group there might be a legislative remedy which, under existing law, Congress itself would not feel free to apply because of the existence of outstanding trade agreements which had been entered into. I was not referring to the President.

Mr. MALONE. We are talking about trade agreements. There are two categories of trade agreements. One category refers to trade agreements which have been made by the other countries of the world with Russia, under which they have been arming Russia and the satellite nations for the past 3 years at our expense. I presume the Senator from Georgia is referring to the trade agreements negotiated under the Trade Agreements Act of 1934.

Mr. GEORGE. That is correct.

Mr. MALONE. If a movement were initiated by Congress under the escape clause, would the President be required finally to enforce the escape clause? Is there any such provision in the pending bill?

Mr. GEORGE. No; there is not.

Mr. MALONE. In other words, Congress could initiate an action but could not carry it through if the President did not approve?

Mr. GEORGE. He could stop it, but the action would be reported to Congress.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. MILLIKIN. I suggest that if the President did not give reasons which were satisfactory to Congress it could take the situation into its own hands and itself afford relief, which would have quite a deterrent effect on arbitrary action by the White House.

Mr. GEORGE. I thank the Senator from Colorado very much. His statement is entirely correct under the provisions of the pending bill.

Mr. MALONE. Mr. President, will the Senator yield further?

Mr. GEORGE. I yield.

Mr. MALONE. I believe there are a great many actions which Congress could take to correct an action taken by the Chief Executive. We have recently gone through such an experience. I do not believe the Senator will say it has been his observation that the President is easily embarrassed or easily scared when he thinks he has a policy.

In addition any legislation amending the act or affording relief independent of the President would have to be passed over his veto.

Mr. GEORGE. I am not discussing that point.

Mr. MALONE. The distinguished Senator from Colorado [Mr. MILLIKIN], injected that note.

Mr. GEORGE. Since, when application has been made invoking the escape clause, the way is opened for Congress to have a report from the President and his reasons, I assume that if he declines to follow the recommendations made, inasmuch as Congress would be free to act on them, it would be a very definite limitation upon the power of the President to disregard the recommendations for the escape clause.

Mr. MALONE. Mr. President, if the Senator will yield further, he will remember, I am sure, that for at least the 4 years during which the junior Senator from Nevada has been a member of this distinguished body the President has annually sent recommendations for this trick legislation. Now it is stated that the recommendation for the International Trade Organization, the ITO, has been abandoned. The junior Senator from Nevada doubts that it has been. However, if it has been abandoned, it is a fact that recommendation for passage had been on the President's "must" list for the past 4 years.

Mr. GEORGE. The committee has been advised that it has been abandoned; that is to say, that we would not be asked to approve it in any way.

ITO ADOPTED UNDER GATT

Mr. MALONE. The distinguished Senator from Georgia is aware of the fact that the fourth chapter of the International Trade Organization has now been adopted under GATT, the General Agreement on Tariffs and Trade, insofar as it can be adopted without further congressional action, which is a long way I assure the Senator from Georgia. Therefore the necessity for the trade agreements themselves perhaps has largely disappeared.

Mr. GEORGE. Let me say to the Senator from Nevada that I do not want to get into a discussion of that subject, because it is highly involved and probably would promote lengthy debate. However, GATT has been only provisionally accepted and only to the extent that it is consistent with our law. I believe that under the amendments we are trying to rationalize the trade agreements program, for reasons I think the Senator himself would consider to be very valid reasons. We are trying to work out a program which will transfer tariff making to the agreement side rather than leave it to the purely political considerations involved.

THE PRESIDENT HAS LAST WORD

Mr. MALONE. Mr. President, if the Senator will yield further, what it really boils down to in the last analysis is that the pending bill, including the committee amendments, does leave the power to act at the discretion of the President of the United States, the executive branch. This, judging by the manner in which the administration of the trade-agreement program has been handled, would mean that the Secretary of State would have the absolute last word as to whether or not the Government would go ahead with additional trade treaties.

Mr. GEORGE. That of course would be true so far as the President is concerned. However, by the amendments with reference to the peril point and the escape clause, there is placed a rather definite limitation, as I see it, not upon the absolute power of the President to act, but upon the making of that power effective as against the will of Congress.

ONLY SUGGESTED BY CONGRESS

Mr. MALONE. If the Senator will yield further, let me say that then it is a matter which is suggested to the Congress. There is nothing in the bill or in the amendments is there, to require the President to do anything except make reports and write letters?

Mr. GEORGE. No; more than writing letters is required. When the peril points have been prescribed by the Tariff Commission, the President may disregard the Commission's recommendations, but then he must transmit to the Congress his reasons for doing so; and, of course, that means that the Congress has some further power of action. In a case where the peril point is invoked either by the House or by the Senate or by the taxing committees of the two Houses or by an interested party, the inquiry must be made by the Tariff Commission; and if the President again disregards the recommendations of the Tariff Commission, his reasons for doing so must be transmitted to the Congress; and, of course, the Congress then has the power to act.

So I think there is a limitation upon an absolute power, although the power actually is in the President to take final action.

Mr. MALONE. I agree thoroughly with the Senator that the President has final and conclusive power.

Mr. GEORGE. I do not say he has conclusive power; I think he has not.

Mr. MALONE. It is conclusive without further legislation.

Mr. President, if the Senator will yield further, let me ask another question. In order for Congress to amend the act, Congress would have to override a Presidential veto, would it not?

Mr. GEORGE. That is true; but such a thing has been done.

Mr. MALONE. It has not been done recently.

Mr. GEORGE. Mr. President, I yield the floor.

TRADE AGREEMENTS ACT EXTENDS POWER OVER DOMESTIC ECONOMY

Mr. MALONE. Mr. President, House bill 1612, including the amendments

adopted by the House of Representatives and the amendments reported by the Senate Finance Committee, is, when boiled down to its essentials, a proposal for an extension for a 2-year period of the absolute power of life or death over the workingmen and investors of this Nation by a thoroughly discredited Secretary of State.

Under the 1934 Trade Agreements Act, as carried out by the State Department, a part of the executive branch of this Government, the regulation of our national economy, through regulation of our foreign commerce, is a subject of international negotiation, instead of being a matter handled by the legislative branch of the Government, as the Constitution directs. The act still provides for regulation of our foreign commerce by the executive branch of the Government in direct contravention of the Constitution.

SURRENDER OF CONGRESSIONAL POWER NOT BELIEVED LEGAL

Mr. President, there has been considerable doubt whether Congress has authority under the Constitution to transfer the power to regulate foreign commerce to the executive branch of the Government, and then, through international agreements, trade treaties, and other actions by the executive branch, to an international tribunal, even if that is not composed of a definite number of nations, as would have been the case under the International Trade Organization.

The GATT is almost as definite in respect to tariffs as the ITO would have been.

LET US CONSIDER THE CITIZENS AND TAXPAYERS

Mr. President, unaccustomed as the Senate has become to dealing with national issues within the legal and ethical framework of our Constitution, I cannot refrain from making a plea on behalf of the citizens of the United States—the 150,000,000 people who look to us to safeguard their welfare and who make the sacrifices incident to supporting their Federal Government and its activities.

I am well aware that it has become naive to concern oneself with the plight of the American workingman and the American taxpayer, just as it has become naive to place the interests of America anywhere but at the bottom of the international donation list. But my conscience will not permit me to remain silent when the strength and prosperity of America are in jeopardy. "Jeopardy" is the right word to use in describing the situation brought about by the so-called Reciprocal Trade Act.

RECIPROCITY IS NONEXISTENT

Mr. President, there is no such thing as a Reciprocal Trade Act. There never has been, and the act does not operate in that manner. The phrase "reciprocal trade" does not occur in the act, and there is no indication that it was meant to be known as a matter of fact to bring about reciprocal trade.

TWO NATIONAL OBJECTIVES

It is no secret that most of the peaceful nations of the world have two conflicting objectives: First, they wish to

safeguard their national liberty and sovereignty with the aid of America's industrial productivity; at the same time, they wish to better their own economic condition by underbidding American workers and American producers in their own backyard.

Both of these objectives are perfectly natural, and every nation should be allowed to compete in the world market, but they should not be allowed to compete unfairly.

I am going to be naive in another matter.

TEMPORARY LEGISLATION BECOMES PERMANENT AND FREEDOM TAKES A STEP BACK

I am going to assume that in our legislation the word "temporary" means temporary, the word "emergency" means emergency, and the word "expiration" means expiration.

There is little justification for my believing that these words really have those meanings, because I fail to recall a single piece of important emergency legislation passed since 1932, except the OPA Act, that has been temporary or has been allowed to expire on the day allotted for its interment.

Virtually every one of these acts has involved abandonment of constitutional responsibility on the part of the House and the Senate and has transformed it into arbitrary power in the hands of the administration.

The question as to whether some of these have been used wisely by the bureaus and by the White House has nothing to do with the basic error involved in their surrender by the people's elected representatives.

Liberty is far more easily surrendered to bureaucracy than it is recaptured. That truth should be apparent to the Senate after 18 years, Mr. President.

It is exciting and dramatic to surrender a liberty in an atmosphere of emergency and crisis. It is just plain hard, tedious work to mount the formidable force that is required to regain it. Power-hungry administrations know this, and rely upon the inertia and preoccupation of the legislative branch to leave their power intact.

However, as expressed in the old axiom, "A journey of a thousand miles begins with one step," and I propose that we take the first step now on the long journey back to the constitutional administration of our Nation, which would be an easy step to take; namely, to allow the 1934 Trade Agreements Act to expire on its allotted death day, June 12, next.

WHAT IS INTERNATIONAL TRADE?

I should like to say a few things about the nature of international trade.

These are obvious things, but they are easily overlooked in the confusion. In the first place, money has nothing to do with international trade. It is merely an exchange of natural resources and labor.

When any article is imported into the United States, we are importing as much unemployment as is represented in the manufacture of the article. By the same token, when something is exported from the United States, it means that some other nation is importing the amount of unemployment represented by the labor

that has gone into its production. The dollar signs, the pound sterling signs, and the franc signs, that are used to measure exports and imports, do not tell the truth about the amount of employment that is involved.

Every nation tries to import its unemployment into other nations, but these efforts are not important if competition is on a fair basis. By a fair basis we mean that the other country hires our workers to make the exports to the same extent that we hire their workers.

The yardstick is the standard of living within the trading nations. The United States long ago outlawed the sweat shop within its borders, but the 1934 Trade Agreements Act reinstated sweat shop competition in the American economy.

AMERICAN INDUSTRY NO LONGER SUPREME

The time has passed when America is supreme in production. The power tools and the know-how that generated our strength—and, incidentally, which would never have come into being had it not been for the protection of American industry against foreign competition—are now becoming commonplace in most industrialized countries.

There is a world-wide wave of economic nationalism which is a result of the perfectly natural desire for every sovereign area to be economically self-sufficient. There is nothing wrong with this objective so long as it does not cripple the one country that must remain strong in order to preserve peace. It is completely unrealistic for us to regard our competitors as saints. As long as we are stupid enough to place ourselves voluntarily at a serious competitive disadvantage, we cannot expect them to refrain from cashing in.

AMERICAN RESOURCES NOT INEXHAUSTIBLE

There are many Americans—and there are apparently some in this chamber—who believe that American wealth and resources are inexhaustible; that we are the strong man whom no burden could crush. That is utter nonsense, "the bigger they are, the harder they fall."

I do not believe that anyone who supports free trade or its subtle variations would consciously give aid and comfort to the Kremlin, but there can be no doubt that anything that reduces America's economic self-sufficiency strengthens the enemy.

I have just as much sympathy and feeling of charity for the less-privileged nations as anyone has, but I have more sympathy for my own country. Charity begins at home, and the time has come to stop a form of charity that has become a racket.

Although wars are always unfortunate, America has been at least partially fortunate in that war emergencies have so disrupted the normal flow of trade as to prevent the full impact of this give-away scheme from falling upon the American economy. It is the sword hanging by the horsehair. We must remove it before it falls.

AMENDMENT NO. 1

Mr. President, I desire to call up amendment numbered 1, which would substitute the Flexible Import Fee bill for the pending bill.

Before asking that the amendment be read, I wish to state categorically that any action under the bill including all amendments is still at the discretion of the president.

The PRESIDING OFFICER (Mr. CLEMENTS in the chair). Does the Senator desire at this time to offer the amendment in the nature of a substitute?

Mr. MALONE. I do. I shall ask unanimous consent to have the substitute considered at this time.

The PRESIDING OFFICER. It is in order to consider it. As there is no other amendment pending, it is unnecessary to obtain unanimous consent.

The Senator may offer the amendment. Does he desire to have it read and printed in the RECORD?

Mr. MALONE. Before it is read and printed in the RECORD, I desire to make a statement.

The PRESIDING OFFICER. The Senator from Nevada may proceed.

AMENDMENTS LEAVE TOO MUCH POWER TO PRESIDENT

Mr. MALONE. Mr. President, I may say categorically that all amendments to the original act, including the escape clause and the so-called peril-point provision are effective only at the discretion of the President, and in no other manner. The effect of the legislation has not changed.

The argument has been made that without an extension of the 1934 Trade Agreements Act for two years, or for any other stated interval, the manufacturers, the workers and the investors who are now affected by the trade agreements which have been made heretofore would be without a remedy.

SENATE BILL 1040 PROVIDED NEW ESCAPE CLAUSE

The Finance Committee of the Senate had before it the broadened escape clause. The committee could as well have reported it as a substitute for House bill 1612 as to have reported the escape clause amendment. A substitute bill was introduced by the junior Senator from Nevada and was before the Senate Finance Committee as Senate bill 1040. Since this bill, S. 1040, was not reported out, I introduced an amendment to H. R. 1612 which will have a similar effect. I shall ask this amendment to be called up at a later date.

Mr. President, I ask that my amendment in the nature of a substitute be read.

The PRESIDING OFFICER. The clerk will read the amendment in the nature of a substitute, offered by the Senator from Nevada.

The CHIEF CLERK. It is proposed to strike out all after the enacting clause and insert in lieu thereof the following:

DECLARATION OF POLICY

SEC. 1. It is declared to be the policy of the Congress—

(a) to facilitate and encourage the importation into the United States of foreign goods and products in quantities sufficient to supply the needs of the United States economy;

(b) to foster and provide for the export of the products of American industry and agriculture in quantities sufficient to pay for the needed imports;

(c) to develop and promote a well-balanced, integrated, and diversified production within the United States so as to maintain a sound and prosperous national economy and a high level of wages and employment in industry and agriculture;

(d) to provide necessary flexibility of import duties thereby making possible appropriate adjustments in response to changing economic conditions;

(e) to assure the accomplishment of these objectives by returning to and maintaining hereafter in the United States the control over American import duties now subject to international agreements.

RESTATEMENT OF EXISTING IMPORT DUTIES

SEC. 2. Title I, paragraphs 1 to 1559, inclusive, of the Tariff Act of 1930 are hereby amended by repealing the classifications and rates therein contained and substituting therefor the classifications and rates obtaining and in effect on June 30, 1951, by reason of proclamations of the President under section 350 of the Tariff Act of 1930 or otherwise.

FORMATION OF FOREIGN TRADE AUTHORITY

SEC. 3. Title III, part II, section 330, of the Tariff Act of 1930 is hereby amended to read as follows:

"Sec. 330. Organization of the Foreign Trade Authority.

"(a) Membership: The United States Tariff Commission shall be reorganized and reconstituted as the Foreign Trade Authority (hereinafter referred to as the 'Authority') to be composed of six Directors to be hereafter appointed by the President by and with the advice and consent of the Senate. The original Directors of the Authority shall be the same persons now serving as Commissioners of the United States Tariff Commission, each such person to serve as a Director of the Authority until the date when his term of office as a Commissioner of the United States Tariff Commission would have expired. Thereafter the term of office of any successor to any such Director shall expire 6 years from the date of the expiration of the term for which his predecessor was appointed except that a Director appointed to fill a vacancy occurring for any reason other than the expiration of a term as herein provided shall be appointed only for the remainder of the term which his predecessor would otherwise have served. Directors shall be eligible for appointment to succeed themselves if otherwise qualified therefor. No person shall be eligible for appointment as a Director unless he is a citizen of the United States, and, in the judgment of the President, is possessed of qualifications requisite for developing expert knowledge of tariff problems and efficiency in administering the provisions of this act. Not more than three of the Directors shall be members of the same political party, and in making appointments members of different political parties shall be appointed alternately as nearly as may be practicable.

"(b) Chairman, Vice Chairman, and salary: The President shall annually designate one of the Directors as Chairman and one as Vice Chairman of the Authority. The Vice Chairman shall act as Chairman in case of absence or disability of the Chairman. A majority of the Directors in office shall constitute a quorum, but the Authority may function notwithstanding vacancies. Each Director shall receive a salary of \$15,000 a year. No Director shall actively engage in any business, vocation, or employment other than that of serving as a Director."

APPOINTMENT OF SECRETARY

SEC. 4. Title III, part II, section 331 (a), of the Tariff Act of 1930 is hereby amended to read as follows:

"(a) Personnel: The Authority shall appoint a secretary who shall receive compensation in accordance with the Classification

Act of 1949, and the Authority is hereby empowered to employ and, in accordance with the Classification Act of 1949, fix the compensations of such special experts, examiners, clerks, and other employees of the Authority as it may find necessary for the proper performance of its duties."

ADMINISTRATION OF TRADE AGREEMENTS

SEC. 5. Title III, part II, of the Tariff Act of 1930 is amended by adding at the end of section 331 the following new section:

"Sec. 331A. Administration of trade agreements.

"(a) All powers vested in, delegated to, or otherwise properly exercisable by the President or any other officer or agency of the United States in respect to the foreign trade agreements entered into pursuant to section 350 of the Tariff Act of 1930 are hereby transferred to, and shall be exercisable by the Authority, including, but not limited to, the right to invoke the various escape clauses, reservations, and options therein contained, and to exercise on behalf of the United States any rights or privileges therein provided for the protection of the interests of the United States.

"(b) The Authority is hereby authorized and directed—

"(1) to terminate, as of the next earliest date therein provided, and in accordance with the terms thereof, all the foreign trade agreements entered into by the United States pursuant to section 350 of the Tariff Act of 1930;

"(2) to prescribe, upon termination of any foreign trade agreement, that the import duties established therein shall remain the same as existed prior to such termination, and such import duties shall not thereafter be increased or reduced except in accordance with the Tariff Act of 1930, as amended by this act."

PERIODIC ADJUSTMENT OF IMPORT DUTIES

SEC. 6. Title III, part II, section 336, of the Tariff Act of 1930 is hereby amended to read as follows:

"Sec. 336. Periodic adjustment of import duties.

"(a) The Authority is authorized and directed from time to time, and subject to the limitations hereinafter provided, to prescribe and establish import duties which will, within equitable limits, provide for fair and reasonable competition between domestic articles and like or similar foreign articles in the principal market or markets of the United States. A foreign article shall be considered as providing fair and reasonable competition to United States producers of a like or similar article if the Authority finds as a fact that the landed duty paid price of the foreign article in the principal market or markets in the United States is a fair price, including a reasonable profit to the importers, and is not substantially below the price, including a reasonable profit for the domestic producers, at which the like or similar domestic articles can be offered to consumers of the same class by the domestic industry in the principal market or markets in the United States.

"(b) In determining whether the landed duty paid price of a foreign article, including a fair profit for the importers, is, and may continue to be, a fair price under subdivision (a) of this section, the Authority shall take into consideration, insofar as it finds it practicable—

"(1) the lowest, highest, average, and median landed duty paid price of the article from foreign countries offering substantial competition;

"(2) any change that may occur or may reasonably be expected in the exchange rates of foreign countries either by reason of devaluation or because of a serious unbalance of international payments;

"(3) the policy of foreign countries designed substantially to increase exports to the United States by selling at unreasonably

low and uneconomic prices to secure additional dollar credits;

"(4) increases or decreases of domestic production and of imports on the basis of both unit volume of articles produced and articles imported, and the respective percentages of each;

"(5) the actual and potential future ratio of volume and value of imports to volume and value of production, respectively;

"(6) the probable extent and duration of changes in production costs and practices.

"(7) the degree to which normal cost relationships may be affected by grants, subsidies, excises, export taxes, or other taxes, or otherwise, in the country of origin; and any other factors either in the United States or in other countries which appear likely to affect production costs and competitive relationships.

"(c) Decreases or increases in import duties designed to provide for fair and reasonable competition between foreign and domestic articles may be made by the Authority either upon its own motion or upon application of any person or group showing adequate and proper interest in the import duties in question: *Provided, however*, That no change in any import duty shall be ordered by the Authority until after it shall have first conducted a full investigation and presented tentative proposals followed by a public hearing at which interested parties have an opportunity to be heard.

"(d) The Authority, in setting import duties so as to establish fair and reasonable competition as herein provided, may, in order to effectuate the purposes of this act, prescribe specific duties or ad valorem rates of duty upon the foreign value or export value as defined in sections 402 (c) and 402 (d) of the Tariff Act of 1930 or upon the United States value as defined in section 402 (e) of said act.

"(e) In order to carry out the purposes of this act, the Authority is authorized to transfer any article from the dutiable list to the free list, or from the free list to the dutiable list.

"(f) Any increase or decrease in import duties ordered by the Authority shall become effective 90 days after such order is announced: *Provided*, That any such order is first submitted to Congress by the Authority and is not disapproved, in whole or in part, by concurrent resolution of Congress within 60 days thereafter.

"(g) No order shall be announced by the Authority under this section which increases existing import duties on foreign articles if the Authority finds as a fact that the domestic industry operates, or the domestic article is produced, in a wasteful, inefficient, or extravagant manner.

"(h) The Authority, in the manner provided for in subdivisions (c) and (f) in this section, may impose quantitative limits on the importation of any foreign article, in such amounts, and for such periods, as it finds necessary in order to effectuate the purposes of this act: *Provided, however*, That no such quantitative limit shall be imposed contrary to the provisions of any foreign trade agreement in effect pursuant to section 350 of the Tariff Act of 1930.

"(i) For the purpose of this section—

"(1) the term 'domestic article' means an article wholly or in part the growth or product of the United States; and the term 'foreign article' means an article wholly or in part the growth or product of a foreign country;

"(2) the term 'United States' includes the several States and Territories and the District of Columbia;

"(3) the term 'foreign country' means any empire, country, dominion, colony, or protectorate, or any subdivision or subdivisions

thereof (other than the United States and its possessions);

"(4) the term 'landed duty paid price' means the price of any foreign article after payment of the applicable customs or import duties and other necessary charges, as represented by the acquisition cost to an importing consumer, dealer, retailer, or manufacturer, or the offering price to a consumer, dealer, retailer, or manufacturer, if imported by an agent.

"(j) The Authority is authorized to make all needful rules and regulations for carrying out its functions under the provisions of this section.

"(k) The Secretary of the Treasury is authorized to make such rules and regulations as he may deem necessary for the entry and declaration of foreign articles with respect to which a change in basis of value has been made under the provisions of subdivision (d) of this section, and for the form of invoice required at time of entry."

AMENDMENT OF SECTION 337

SEC. 7. Title III, part II, section 337, of the Tariff Act of 1930 is hereby amended as follows:

(a) Subdivision (a) thereof by striking out the word "President" and substituting therefor the word "Authority."

(b) Subdivision (b) thereof is hereby repealed.

(c) Subdivision (d) thereof is hereby repealed.

(d) Subdivision (e) thereof is hereby amended to read as follows:

"(e) Exclusion of articles from entry: Whenever the existence of any such unfair method or act shall be established to the satisfaction of the Authority, it shall direct that the articles concerned in such unfair methods or acts, imported by any person violating the provisions of this act, shall be excluded from entry into the United States, and upon information of such action by the Authority, the Secretary of the Treasury shall, through the proper officers, refuse such entry."

(e) Subdivision (f) thereof is hereby amended to read as follows:

"(f) Entry under bond: Whenever the Authority has reason to believe that any article is offered or sought to be offered for entry into the United States in violation of this section, but has not information sufficient to satisfy it thereof, the Secretary of the Treasury shall, upon its request in writing, forbid entry thereof until such investigation as the Authority may deem necessary shall be completed; except that such articles shall be entitled to entry under bond prescribed by the Secretary of the Treasury."

(f) Subdivision (g) thereof is hereby amended to read as follows:

"(g) Continuance of exclusion: Any refusal of entry under this section shall continue in effect until the Authority shall find and advise the Secretary of the Treasury that the conditions which led to such refusal of entry no longer exist."

CONTINUANCE OF PERSONNEL FUNDS, ACTIONS, AND SO FORTH

SEC. 8. Section 339 of the Tariff Act of 1930 is hereby amended to read as follows:

"SEC. 339. Effect of enactment.

"(a) All personnel, property, records, balance of appropriations, allocations, and other funds available (or to be made available) to the United States Tariff Commission shall be transferred to the Authority for use in connection with the exercise of its functions; and such transfer shall not operate to change the status of the officers and employees transferred from the Commission to the Authority. No investigation or other proceeding pending before the Commission at such time shall abate by reason of such transfer but shall continue under the provisions of this act.

"(b) Wherever in the Tariff Act of 1930, or in any other law, the terms 'United States Tariff Commission' or 'Commission' occur, such terms shall be construed to mean the 'Foreign Trade Authority' and the 'Authority', respectively."

REAPPLICATION OF SECTION 516 (O)

SEC. 9. Section 17, subsection (c), of the act of June 25, 1938, chapter 679, is hereby repealed.

STATISTICAL ENUMERATION

SEC. 10. Title IV, part III, section 484 (c), of the Tariff Act of 1930 is hereby amended to read as follows:

"(e) Statistical enumeration: The Chairman of the Foreign Trade Authority is authorized and directed to establish from time to time, after consultation with the Secretary of the Treasury and the Secretary of Commerce, a statistical enumeration of imported articles in such detail as he may consider necessary and desirable to effectuate the purposes of this act. As a part of each entry there shall be attached thereto or included therein an accurate statement giving details required for such statistical enumeration. The Secretary of Commerce is hereby authorized and directed to make such reasonable and proper digests from, and compilations of, such statistical data as the Chairman requests. In the event of a disagreement between the Chairman and the Secretary of Commerce, as to the reasonable and proper nature of any request the matter shall be referred to the President whose decision shall be final."

REVISED TEXT OF TARIFF ACT

SEC. 11. The Authority, as soon as practicable, shall prepare and cause to be printed as a public document available for public distribution a complete revised text of the Tariff Act of 1930, as amended.

EFFECTIVE DATE

SEC. 12. This act shall take effect as of June 30, 1951.

Amend the title so as to read: "A bill to amend the Tariff Act of 1930, and for other purposes."

The PRESIDING OFFICER. The question is on agreeing to the amendment, in the nature of a substitute, offered by the Senator from Nevada [Mr. MALONE].

(At this point Mr. MALONE yielded to Mr. WHERRY to enable him to ask Mr. GEORGE a number of questions concerning the bill, following which a message was received from the House announcing its action on the conference report on the supplemental appropriation bill, whereupon the conference report was considered by the Senate, and debate ensued, all of which appears at the conclusion of Mr. MALONE's speech.)

AMENDMENT I SUBSTITUTES FLEXIBLE IMPORT FEE PRINCIPLE FOR TRADE AGREEMENTS ACT

Mr. MALONE. Mr. President, the amendment offered by the Senator from Nevada—that is, an amendment in the nature of a substitute—would simply substitute the flexible import fee bill for the sharpshooting horse-trading methods used by the State Department.

Again, the junior Senator from Nevada would like to state categorically that there has been no change in the bill, so far as the discretion of the President of the United States is concerned, the discretion of continuing to make such trades as he has already concluded under three trade conferences, the last one of which was at Torquay, England.

AMENDMENTS DO NOT CHANGE BILL

I want to say again, categorically, that there has been no change, that the bill, with the amendments reported by the Finance Committee of the Senate, is simply suggestive of certain things to be done by the President, which, if he does not choose to do them, leaves the Senate of the United States with no remedy except to pass a bill amending the Trade Agreements Act; which would then, of course, have to be passed over the Presidential veto.

The reasons given by many Senators for supporting this bill include the argument that it is impossible to pass anything else, over a veto. That, to me, is no reason at all.

SENATE HAS FOLLOWED ADMINISTRATION ADVICE

The Senate of the United States, since the junior Senator from Nevada has been a Member of it, has always accepted at face value legislation proposed by the administration, legislation coming to the Senate and to the House, as separate pieces of legislation, having no relation one to the other.

THE OBJECTIVE NEVER CHANGED

I want to say at this point, in my remarks, that, in the humble judgment of the Senator from Nevada, this is part of a well-thought-out scheme, and that the direction has never changed, from the beginning of the administration—not the beginning of Mr. Truman's administration, but beginning in 1934, when the act was first passed, which we are today debating.

The objective, the approach, has never changed, and the character and volume of the legislation coming across the floor of the Senate and the floor of the House has never changed.

PRESENT COURSE LEADS TO SOCIALISM

So, Mr. President, it is time that we added it up.

The junior Senator from Nevada has added it up several times in the past 4½ years. At this time there are at least five different approaches, all dovetailing to produce the objective of eventual socialization and nationalization of property in the United States of America.

We now now have a socialistic government. There is a question as to how long we shall have to keep it, as to how to throw it off. We are following the British plan into complete socialization and nationalization of property.

TO MAINTAIN IN POWER: CONFISCATE PROPERTY

What are the various approaches, Mr. President? First, of course, it is recognized through 2,000 years of recorded history that whenever a ruler, a leader, or a dictator of a nation wanted to control his people thoroughly and completely, he took in all the material that was customarily used for money. If a desert island possibly the type of money used was a certain kind of shell. But whether it was that or some other kind of money, gold, or whatnot, it was taken over.

So, Mr. President, the first thing the administration did in 1934 was to remove the base from our money system

and lock it up. Currency was then issued.

We hear a great deal of talk with reference to inflation and what a great effort the administration is making to prevent inflation.

Today is not the time to discuss that subject, but it will come, and very soon, because inflation is not being stopped, and no real attempt is being made to stop it.

With the base of our money gone, we printed for example, seven or eight billion dollars of new money last year, and there is a prospect of printing perhaps more this year.

The amount of money in circulation is a controlling factor in the inflation which we are encountering at the present time.

We are now directly dependent on greenbacks for money. They are not tied to anything.

NEXT STEP: LOSE OUR TARIFFS

What was the next step? Next came the breaking down of our tariff and import-fee system which had made it possible to preserve our standard of living.

For 75 years we had adopted the principle, in different degrees, of building our standard of living upon a tariff or import-fee system which makes up the differential between the living standards where our competition was located and the living standards in this Nation.

Mr. President, when we trade, if we want to be fair about it without dislocation of industry, we trade an hour's labor in our country for an hour's labor in some other country. If there is a different standard of living in the nation with which we are trading, if it has less income per hour and different productive power, how is the difference made up? How has it been equalized?

For 75 years it has been equalized in the only way Congress knew how to do it, namely, by a tariff or an import fee.

STEP 3: EXCESSIVE TAXATION

The next point, Mr. President, is taxation. We have legalized unlimited taxation through income and other taxes, including selling bonds and the resulting deficit financing.

WE FINANCE OTHER GOVERNMENTS

We do that not only to operate our Government now, but to finance foreign governments.

In other words, we started out with our lend-lease plan; then UNRRA; a British gift-loan of three and three-fourths billion dollars. We always call them loans to save our conscience, just as we are doing today in connection with the pending bill, trying to cushion a troubled conscience with the peril point and escape clause.

We are offering these amendments in the nature of suggestions to the President hoping to save our conscience while putting into the hands of a thoroughly discredited Secretary of State and his organization the fate of every working man and every investor in this Nation for two more years.

Then we had the Marshall plan, the ECA. As has been shown, we have been

helping arm our enemies by means of those two great gift operations to foreign nations. Then point 4 is yet to come.

STEP 4: SUBSIDIES

Next, Mr. President, there are subsidies to take the place of tariffs and import fees, all paid for by the taxpayers of America.

We break down the tariffs and import fees through an irresponsible State Department without any regard to the differential in the standards of living to which I have referred, and then as the market becomes glutted with certain types of products, principally agricultural products, we vote a subsidy to take the place of the differential.

So, in reality, without any tariff or import fee to prevent imports from coming into this country under a fair and reasonable competitive standard, we just buy up the products; we stabilize the prices of foreign nations agricultural products along with our own.

STEP 5: SECURITIES AND EXCHANGE COMMISSION

We have a Securities and Exchange Commission which makes it impossible to sell stock in a new enterprise or to invest venture capital in a new enterprise unless certain hand-raised economists and engineers give the word.

Generally speaking, only the hand-raised engineers and economists can remain in office for any length of time, because the others get disgusted with the sharpshooting programs.

They say that if one is going to sell stock in a mine or other enterprise, he must know that the ore is there and that it will be profitable.

If a man is going to sell stock in some other enterprise, they must know that it will be a profitable enterprise.

It is their judgment that must be exercised ahead of time, not just the fact that a person selling stock is telling the truth to the person to whom he undertakes to sell the stock. That used to be sufficient but not for the SEC—therefore private venture investment capital is discouraged.

NORMAL ECONOMY CANNOT BE SUSTAINED

Mr. President, with those five approaches, the economy of this Nation is weakened and largely dependent upon subsidies and Government capital—or special Government concessions.

I make the statement now that it will be well known that we are in an emergency economy. To some persons it was well known 2 or 3 or 4 years after it started that that would be the result. We say we want peace. Mr. President, our economy would not stand up under the peace for which we all are praying. We could not exist 60 days if we had the peace. Our economy would crumble through the impact of the sweat-shop-labor competition.

NEED FOR GOVERNMENT "PARTNERSHIP" INCREASING

Mr. President, our hotels are filled with industrialists and others who have come to get taxpayers' money to invest in the new and enlarged plants which are needed for defense purposes. Why? The floor under wages and investments has been destroyed. Therefore they are

taking no chances. They lost the investment in World War II, and now they are taking a leaf out of the book of the Government itself and getting the money from the taxpayers, through the Treasury of the United States, to finance the necessary industries, so they will lose the taxpayers' money, not their own.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. MALONE. I shall be very glad to yield for a question.

Mr. WHERRY. If I correctly understood the statement made by the Senator from Nevada a few moments ago, he feels that through the life of the Reciprocal Trade Agreements Act and the extension of it, recipient nations can produce goods and sell them in our market at prices which will make it favorable for them to send them to this country. In that way the workers in those countries are in competition with our own employed labor in this country. Is that correct?

MANY PRESENT TARIFFS ALREADY BELOW PERIL POINTS

Mr. MALONE. That is entirely true. Practically all the tariffs which have been tampered with are now below what is known as the peril point.

They are below the differential of cost of production, largely due to the differential in the standard-of-living cost.

An hour of labor abroad produces more in proportion to its cost than the labor here. There being no effective equalizer, then the product comes in and the labor represented in that product displaces the labor here, unless, through subsidies, which we have paid certain industries, we temporarily hold the economic structure until we get ready to let it go.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. MALONE. I am happy to yield.

Mr. WHERRY. Has the Senator explained the charts which are placed against the wall in the rear of the Senate Chamber?

Mr. MALONE. This might be a good time to do so.

DISPLAYS EXPLAINED

Mr. WHERRY. One of the charts bears the following heading:

Comparative hourly earnings in manufacturing industries, United States and selected competitive countries.

I hope the Senator will give us an explanation of the point in which I am particularly interested. The first figure is that of the United States, \$1.41. Then there are two other figures, following by England (U. K.) 39 cents. Does that mean that in competing industries, the same products can be made in England at 39 cents an hour, which cost in the United States \$1.41 an hour?

COMPARATIVE WAGES—THREE CHARTS

Mr. MALONE. It means that men employed in manufacturing industries are employed in England at 39 cents per hour, in the United States at \$1.41 an hour, in Canada, at 92 cents an hour, in Australia, at 62 cents an hour; in Germany, at 29 cents an hour; in France, at 21 cents an hour; and in Japan, at 12 cents an hour.

What this actually means is that if they have the same machinery, if they have the same opportunity in the various countries, then the difference in the wage actually represents the difference in the cost of the imported product.

If the labor in the various countries is not as efficient, then the factor of efficiency enters into this differential in the wage. But it is in no case as much as the differential in the wage, especially since we have for the last several years been paying for machinery sent to these countries.

Mr. WHERRY. The question I next wish to ask deals with that point.

Mr. MALONE. I should like to continue that statement.

Mr. WHERRY. Excuse me.

TYPEWRITERS MADE IN JAPAN

Mr. MALONE. For example, Mr. James Rand is establishing a typewriter plant in Japan.

I do not know exactly what the hourly wage for workers in a typewriter plant is in New York, but I believe it is \$1.50 to \$2 an hour for skilled labor. In Japan such skilled labor is paid from 7 cents to 12 cents an hour.

It is true that ECA is not engaged in building up industries in Asia but UNNRA money was spent there. Mr. Rand has already transferred a factory to Scotland from New York.

Not only will that factory supply the market there, but will supply in part the market here. The result will be to displace labor in a similar factory in New York, as well as work to the disadvantage of the investor in the New York factory. Importations of typewriters into this country will affect other typewriter companies.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. MALONE. Yes.

EFFICIENCY OF LABOR OFTEN EQUAL TO UNITED STATES

Mr. WHERRY. In the case of the particular firm the Senator has mentioned, does it obtain production in Japan which is comparable to that in the United States? Or does the low wage paid in Japan mean that more persons must be employed in order to secure production equivalent to that in this country; that is, considering the production of one workman in the United States, must more persons be employed in the foreign country to produce the same amount?

The Senator has shown on the chart the hourly pay in various countries. Can employees in the United Kingdom, for example, produce at 39 cents an hour the same amount as employees in the United States produce at \$1.41 an hour? Or is there a difference in the amount of work done per person in the various countries?

JAPANESE VERY EFFICIENT

Mr. MALONE. I will say that the Japanese workers are very efficient. The Japanese are just as efficient and just as productive if working on similar machines as are American workmen.

When a new factory is built in Japan by an American firm, machines of a

similar kind to those used in American factories are installed, and the work is just as efficiently done as in this country.

Mr. WHERRY. Mr. President, will the Senator again yield?

Mr. MALONE. I yield.

Mr. WHERRY. I have not read the testimony which was given in the House committee. I have simply read the report of the Senate committee. I have not had time to read through all the hearings. Does organized labor in this country, let us say the American Federation of Labor and the Committee for Industrial Organizations, favor the extension of the Reciprocal Trade Agreements Act? It would seem to me that exploiting the manufacturing in various foreign countries, and bringing the production of the factories back as merchandise to sell in this country would bring foreign labor in direct competition with American labor. Therefore I ask the Senator if the labor organizations support the extension of Reciprocal Trade Agreements Act?

ORGANIZED LABOR IS WAKING UP

Mr. MALONE. Mr. President, they do not support it. I shall read some communications I have received from labor organizations on that subject. I will say that the CIO does support it nationally but a branch of the CIO in Pioche, Nev., sent me a resolution condemning free trade.

I will first read a letter sent me by organized labor in Reno, Nev., as follows:

RENO CENTRAL TRADES COUNCIL

DEAR SENATOR MALONE: This communication will serve to confirm our many recent conversations with regard to the resolution submitted by you to the Reno Central Trades and Labor Council.

In order to clarify this situation, please be advised that organized labor, in Reno as well as throughout the State of Nevada, as represented by the Nevada State Federation of Labor, is definitely opposed to the use of "cheap" labor as it concerns foreign countries coming into competition with the labor market of our own Nation. We definitely feel that anything we, of organized labor, can be in a position to do to correct a situation of this nature, will be most beneficial to our country, and, that through our action, we actually will be assisting to raise the standards of other countries. It will also protect the families, the manufacturers, the taxpayers, the businessmen, and in general, the entire Nation, as it will eliminate the placing of our business on a competitive basis with that of foreign countries who use "cheap" labor.

It is a policy of the American Federation of Labor, as well as all of its affiliates, to fight and work for better conditions and wages for its members. We therefore cannot condone the use of competitive labor, especially where same are employed under substandard conditions as in some of the foreign countries of today.

Hoping that this communication will clarify the questions raised, and with personal regards, we remain,

Respectfully,

RENO CENTRAL TRADES
AND LABOR COUNCIL,

By ANGUS CAUBLE, President.

NEVADA STATE FEDERATION

OF LABOR,

By HARRY A. DEPAOLI, State President.

AMERICAN FEDERATION OF LABOR

Mr. President, the following resolution was unanimously adopted by the American Federation of Labor at Houston, Tex., on September 22, 1950. The resolution is entitled "Unfair Foreign Competition."

RESOLUTIONS PASSED UNANIMOUSLY BY THE AMERICAN FEDERATION OF LABOR, HOUSTON, TEX., SEPTEMBER 22, 1950

UNFAIR FOREIGN COMPETITION

Resolution No. 11, by Delegates Harry H. Cook, Arthur J. O'Hara, Ivan T. Uncapher, Ernest A. Merighi, American Glass Workers' Union (p. 23, first day's proceedings).

Resolution No. 12, by Delegates James M. Duffy, Charles F. Jordan, Frank Duffy, Clarence Davis, National Brotherhood of Operative Potters (p. 24, first day's proceedings).

Whereas lower wages than those prevailing in the United States account for the principal competitive advantage enjoyed by foreign countries when they ship dutiable merchandise into our domestic market; and

Whereas these lower wage scales permit dutiable goods to be sold at lower prices in this country than our own producers can meet without reducing wages or curtailing employment; and

Whereas competitive imported goods that derive their sales advantage from lower wages are as destructive of our own labor standards as were sweatshop operators in this country before the adoption of a national minimum wage; and

Whereas our labor organizations have no means of organizing the workers overseas in an effort to raise their standards, and our minimum-wage laws do not extend beyond our own country; and

Whereas it is no more necessary that foreign exporters have a competitive advantage derived from low wages in order to sell in this market than it is for sweatshop operators to make a regular practice of grossly underselling fair employers in order to compete with them; and

Whereas a healthy import trade can be created upon a basis of fair competition—

That is exactly what the substitute provides. It lays down the principle of foreign trade on a basis of fair and reasonable competition.

Continuing:

Whereas a healthy import trade can be created upon a basis of fair competition and can, in fact, thus be expanded, just as the elimination of sweatshops in the domestic economy contributes to healthy economic expansion; and

Whereas limitations on imports need not be restrictive in order to create competitive parity but, on the contrary, by creating the basis of fair competition, would contribute to the growth of trade in the international field no less than fair competition does in the domestic; and

Whereas over 60 percent of the imports into this country are now and have long been free of duty because they represent goods in the production of which other countries enjoy a natural advantage of climate, soil, or resources and which are complementary to rather than competitive with, the output of our own factories; and

Whereas the remaining 40 percent of competitive imports, if unimpeded in any way, would leave our workers at the mercy of low-wage rivalry, a process that would have only one ultimate effect, namely, the impoverishment of our labor force; and

Whereas many members of unions affiliated with the American Federation of Labor know from direct and bitter experience the disastrous consequences of low-wage foreign competition which has not been properly offset by a rate of duty or other protective measure to insure its fairness: Therefore be it

Resolved, That the American Federation of Labor, while fully recognizing the many economic benefits of a healthy foreign trade, declare its disapproval of such competitive imports as derive their competitive advantage from low wages prevailing abroad, unless this unfair advantage is appropriately offset or guarded against to assure competitive parity; that the undermining of labor standards through wage competition on an international scale cannot be accepted as a legitimate form of economic improvement; that it is not necessary, as a condition of selling successfully in the United States, to offer goods at prices that substantially undercut the market; that the most healthy and voluminous trade can be built around fair competitive methods rather than seeking to base it upon price advantages that threaten loss of employment and reduction in wages; and, finally, that the American Federation of Labor express its concern over further tariff reductions that will expose our workers to unfair competition from foreign wages and thus undermine the wage standards built up in this country over the years.

TORQUAY CONFERENCE IN PROGRESS

That resolution was adopted on September 22, 1950. At that moment the Torquay negotiations had started, which resulted in the reduction or binding of the tariffs on approximately 3,000 products.

As the junior Senator from Nevada has already said, the tariffs are now almost without exception below any recognized peril point. How can a peril point be effective in that case. It cannot possibly affect anything that has gone before.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. WHERRY. Was that resolution adopted at the general annual convention held in Texas?

Mr. MALONE. It was adopted at the annual convention of the American Federation of Labor, held in Houston, Tex., on September 22, 1950.

Mr. WHERRY. Does the resolution represent the sentiment of all the unions in that organization?

Mr. MALONE. It represents every affiliated union within the American Federation of Labor in the United States of America.

Mr. WHERRY. Does the Senator know whether members of that organization testified before the House or Senate committees?

Mr. MALONE. I presume this resolution was introduced in evidence.

Mr. WHERRY. Does the Senator know whether or not any representatives testified?

Mr. MALONE. I am not informed as to that.

WHEN LABOR UNDERSTANDS THE IMPACT

Mr. President, to show the disposition of labor whenever it fully understands the impact of this proposal, I read a letter signed by Doug Hawkins, president of the White Pine County Central Labor Council in Nevada, quoting a resolution adopted by that organization:

EAST ELY, NEV., January 19, 1950.

Senator MALONE,
Senate Office Building,
Washington, D. C.:

We call your attention to the following resolution adopted by the White Pine County Central Labor Council:

"Whereas the selective free trade policy is removing the floor from under American

wages and investments, causing unemployment and loss of taxable property; and

"Whereas the haphazard lowering of the import fees and tariffs without regard to the differential of the cost of production, due largely to the difference in living standards of this country and foreign competitive nations, has severely injured the nonferrous-metal mining industry: Therefore be it

Resolved, That a telegram be sent to each of our national Senators asking them to do what they can toward correcting this deplorable situation."

DOUG HAWKINS,
President, White Pine County Central Labor Council.

FREE TRADE CLOSES INDUSTRIES

Mr. President, it is well known; it has been stated on the floor of the Senate many times, that the very policy we are seeking to extend for 2 years resulted in the closing of approximately 75 percent of the mines in the United States, affecting almost every State in the Union.

It was before the Korean police action resulting in the closing of a substantial part of the precision instrument, textile, chinaware, pottery, chemical, and many other industries.

I now read a letter from the International Association of Machinists, Local Lodge, No. 705, Sparks, Nev., dated September 16, 1949:

Re flexible import fee.

HON. GEORGE W. MALONE,
United States Senate, Washington, D. C.

SIR: The legislative committee of Local Lodge No. 705, International Association of Machinists, Sparks, Nev., reported favorably on the matter of the flexible import fee. Whereupon the membership unanimously instructed the legislative committee to inform you that Local Lodge No. 705, International Association of Machinists, Sparks, Nev., has gone on record in favor of the flexible import fee.

The legislative committee wishes to commend the Senator for his hard work and initiative.

Yours truly,

LEGISLATIVE COMMITTEE,
SATTIROS SOUKAROS,
Chairman.

GEORGE H. SHELTON,
JOHN L. ROBERTSON.

Mr. President, a letter from Pioche Union Local, No. 407, CIO, opposing free trade. The letter is addressed to the junior Senator from Nevada, and is dated January 17, 1950:

DEAR SIR: By unanimous vote, Pioche Union Local, No. 407, CIO, disapproves point 4 plan of the President which includes the International Trade Organization agreement and urge that you do everything possible to substitute flexible import fee as outlined in your talk at Pioche, Nev., on December 15, 1949.

Yours truly,

THOMAS L. HUTCHINGS,
President, Local No. 407.

Local No. 407, CIO, at Pioche, is a branch of the National CIO, which has approved free trade.

COMPARATIVE PRICES OF SEWING MACHINES

In direct answer to the distinguished Senator from Nebraska as to the prices of imported articles, I have before me two sewing machines. The one on my right is a Domestic; at least it is an American-made sewing machine. The other is a machine made in Japan.

The American machine sells at a price of \$109.95.

The Japanese-made machine, which does exactly the same thing, sells for a price upward of \$49. The only difference between the machines is in the wages paid to its makers, as between the wages of skilled labor in Japan and wages of skilled labor in America. I am given to understand that there is not much difference in the efficiency of their work. The difference in wages represents the difference between 90 cents a day paid the Japanese workmen, and the rate of \$15.50 daily that is paid to the American workman. The difference in the prices of the two machines is almost in exactly the same proportion.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MALONE. I am happy to yield.

Mr. WHERRY. Are the sewing machines electric machines?

Mr. MALONE. They are.

Mr. WHERRY. I should like to ask the distinguished Senator from Nevada whether he knows what wage per hour was paid in the factory which manufactured the machine that is labeled "Sorite."

Mr. MALONE. It is manufactured by the Sorite Sewing Machine Co.

Mr. WHERRY. Is that a Japanese company?

Mr. MALONE. Yes.

Mr. WHERRY. Is it an American institution which has gone to Japan?

Mr. MALONE. No; I believe it is a Japanese institution.

Mr. WHERRY. Does the Senator know what wage was paid by the Japanese company?

Mr. MALONE. About 12 cents an hour.

Mr. WHERRY. What is the name of the other machine?

Mr. MALONE. I believe it is a "Domestic." It is American made.

Mr. WHERRY. Does the Senator know what wages per hour were paid to manufacture the American machine?

Mr. MALONE. Based on an 8-hour day the wages would be \$15.50 a day.

Mr. WHERRY. What would that amount to per hour?

Mr. MALONE. It would be about \$1.94 an hour.

Mr. WHERRY. Is the Japanese machine being sold in the United States?

Mr. MALONE. It is.

Mr. WHERRY. Does the Senator know what the price of it is? What is it being sold for in the United States?

Mr. MALONE. It is sold for whatever they can get for it, but the wholesale price, imported, is about \$21.

Mr. WHERRY. There must be a price on it.

Mr. MALONE. An advertisement appeared in the newspapers—

Mr. WHERRY. Let me withdraw the question and ask another one. What duty was paid on the machine which was manufactured in Japan?

Mr. MALONE. A 10-percent duty.

Mr. WHERRY. Ten percent on what?

Mr. MALONE. On the cost of its manufacture in Japan.

Mr. WHERRY. Which is \$17.50; is that correct?

Mr. MALONE. Yes; about \$21.

Mr. WHERRY. So 10 percent of \$17 is added, and the total is the cost of the machine in the United States, plus the cost of transportation. Is that correct?

Mr. MALONE. Yes; 10 percent of \$21.

Mr. WHERRY. What is the price of the machine as it is sold in the United States?

Mr. MALONE. Ordinarily 100 percent above that. It is common practice in the trade. It is around 100 percent or 75 percent. It would make the price approximately \$50. The American machine sells for about \$110.

Mr. WHERRY. The Senator is referring to the American machine on the desk?

Mr. MALONE. Yes.

Mr. WHERRY. So there is a difference of nearly \$75?

Mr. MALONE. Yes.

Mr. WHERRY. That is the difference in price between the two machines?

Mr. MALONE. That would be approximately right.

Mr. WHERRY. The distinguished Senator says that both machines do the same kind of work?

Mr. MALONE. I am so informed by the retailer who brought both machines to my office. He told me that one will do the work of the other.

Mr. WHERRY. The same retailer sells both machines?

Mr. MALONE. No; the same retailer does not sell both machines. He was able to secure both machines.

Mr. WHERRY. Is the Japanese manufactured machine in direct competition with the American machine?

Mr. MALONE. It is in direct competition with the American-made machine.

Mr. WHERRY. Is it sold alongside the American machine?

Mr. MALONE. Yes.

Mr. WHERRY. Is the financing of it similar to the financing of the American machine?

Mr. MALONE. I cannot say as to that. The Japanese manufacturers utilize American retailers. However, the manufacture of it in Japan is financed in Japan.

Mr. WHERRY. But the retail sale is handled in the same way.

Mr. MALONE. Oh, yes.

Mr. WHERRY. So on a competitive basis there is no difference except the price.

Mr. MALONE. No difference at all in the sale of the machine except the price.

Mr. WHERRY. What about the warranty or guaranty?

Mr. MALONE. That I cannot tell. I presume it is practically the same, because they are sold on the same basis. However, I am not sure of that. I shall try to get the information and insert it in the Record.

TWO SCHOOLS OF THOUGHT

However, Mr. President, the point I wish to make, and the point which I have been making on the floor of the Senate for 4½ years, is that there is no way of competing on an even basis when such a big differential in wages exists throughout the world. In other

words, there are two schools of thought on the subject. One school of thought, to which the junior Senator from Nevada subscribes, is that we should have a market in the United States for the goods of every nation of the world on a basis of fair and reasonable competition. What is a basis of fair and reasonable competition? Such a basis is provided by a tariff or import fee, which makes up the differential, does not prevent imports from coming in, and is fixed without any consideration of a high or low tariff, but on the basis that when goods are needed the goods can come in on a basis of fair and reasonable competition.

The other school of thought holds that we must buy our goods wherever we can buy them the cheapest. The administration subscribes to that school of thought. Of course that can only mean that goods will be bought where the labor is cheapest. Therefore there can be no possible doubt that anyone who is in favor of free trade in this country is in favor of the competition of the low-cost labor of Europe and Asia with the workers and investors of the United States of America. That will be the result if we follow the argument through to its logical conclusion. Workers are being led to believe that the administration is for the workers. They are being told: "We want labor to write its labor legislation." I say to the distinguished Senator from Nebraska that there is only one fair way for the labor standards and living standards of this country to be protected, and for us to protect our economy and preserve it so that we can take care of ourselves and at the same time defend some other parts of the world, whose safety may be of interest to us. And that is to have some way of preserving our standard of living in competition with other nations while we are helping other nations to raise their own standards.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. MALONE. I am happy to yield to the Senator from Nebraska.

Mr. WHERRY. I notice that several witnesses at the hearings have called attention to the fact that the peril-point provision would be of aid in helping to protect us against cheap competition. I recall very distinctly the action which was taken by the Eightieth Congress. The pending bill contains a peril-point provision, which, as was forcefully pointed out by the distinguished Senator from Georgia, covers also the importation of agricultural products. Likewise included in the pending bill there is an escape clause. Does the Senator from Nevada feel that the peril-point provision and the escape clause incorporated in the bill would give the necessary protection to the industry and labor of our country on a competitive basis at this time?

PERIL POINT AND ESCAPE CLAUSE ARE A SALVE FOR CONSCIENCES

Mr. MALONE. Mr. President, I will say to the distinguished Senator from Nebraska that about all I can say for the peril-point provision and for the broadened escape clause is that they may be a substantial cushion for a troubled

conscience. There is nothing in the act whatever which directs the President of the United States to do anything. I wish to read something from the RECORD which will show the distinguished Senator from Nebraska exactly what the policy of the administration is. If he believes that the peril-point provision will slacken the headlong plunge into one economic world and toward the idealistic objective of dividing the markets of this country, I would ask him to listen to one quotation from the RECORD.

The pronounced foreign policy program of the administration—often reaffirmed—was set down in detail by Assistant Secretary of State Willard H. Thorp, in his testimony before the House Ways and Means Committee in January of last year when he said:

The European recovery program (Marshall plan or ECA) extends immediate assistance on a short-term basis to put the European countries back on their feet.

The ECA appropriation is designed to make up the trade-balance deficits of the 16 Marshall-plan countries in cash and goods each year—our chief export is cash—until such time as the markets of this Nation have been divided with the European countries and our living standards lowered to those of such nations.

I continue to quote Mr. Thorp:

2. The trade agreements (act) program is an integral part of our over-all program for world economic recovery.

Under the Trade Agreements Act the markets of this Nation are being divided with the countries of the world to the point that theoretically there will be no further trade-balance deficits—in other words, no further need for ECA or the Marshall plan.

Let me ask the distinguished Senator from Nebraska how often has he heard on the floor of the Senate the statement that we must have these trade agreements, and that until such time as we can arrive at a division or proper balance of trade, we shall have to make up the difference in cash. Has not the Senator from Nebraska heard that statement made on this floor? I ask him that question.

Mr. WHERRY. Oh, yes; I have heard that observation made.

Mr. MALONE. Mr. President, I make this further comment on Mr. Thorp's testimony: Under the Trade Agreements Act the markets of this Nation are being divided with the countries of the world to the point where theoretically there will be no further trade balance deficits—the 1934 Trade Agreements Act as extended removed the floor under American wages and investments—and stopped the flow of venture capital into the business stream of our Nation—the simple expedient of putting into the hands of the industrially inexperienced State Department the power to lower the tariffs and import fees approximately 75 percent after perfunctory hearings.

I continue to quote from Mr. Thorp's testimony:

3. The International Trade Organization upon which Congress will soon be asked to take favorable action, provides a long-term

mechanism—each part of this program is important. Each contributes to an effective and consistent whole.

The Assistant Secretary of State and, I believe, other witnesses for the State Department testified that they did not intend to pursue the International Trade Organization. Why should they, inasmuch as the Torquay Conference and, even earlier, the General Agreements on Tariffs and Trade—GATT—adopted all the commercial policies of the International Trade Organization charter, contained in chapter IV, which did not need specific congressional action.

What did they include. As a part of what they include, we find the following, under six divisions:

- (a) Tariffs, preferences, and internal taxation and regulation.
- (b) Quantitative restrictions and related exchange matters.
- (c) Subsidies.
- (d) State trade and related matters.
- (e) General commercial provisions.
- (f) Special provisions.

GATT PROVISIONS TO REPLACE IT

I read an explanation of section (a)—Tariffs, Preferences, and Internal Taxation Regulations:

ART. 16. This is the most-favored-nation clause by which every member is to be accorded the advantage, favor, privilege, or immunity, unconditionally, that any member accords to any other member with respect to customs, duties, charges on imports or exports, or international transfer of payments. But such obligation does not require the elimination of preferences which do not exceed the margins provided for in the General Agreements on Tariffs and Trade (Geneva 1947) and existing preferences among the following territories and countries:

Mr. President, I would call the attention of the distinguished Senator from Nebraska to the fact that the British Empire, the sterling-bloc countries, availed themselves of this very provision in GATT to avoid making tariff reductions. In other words, they had already made the trade agreements which were favorable to the British Empire; so, this time, instead of entering into other agreements which would have required some concessions on their part, they stayed out.

I refer to the 57 or 53 sterling-bloc countries, including, of course, Canada, India, and Australia, which means that under the most-favored-nation clause they have stayed out and have given nothing, but we make 39 or more bilateral treaties—later I shall state the exact number; and under the most-favored-nation clause the sterling-bloc countries get the advantage of everything we give any other country, without giving anything in return.

FALLACY OF FREE-TRADE PROGRAM

At this point, I wish to point out the fallacy of the entire program. It cannot be anything but free trade. If it had any merit, the most-favored-nation clause eliminates all possible fairness.

MEXICO AND MOST-FAVORED-NATION CLAUSE

For example, the trade agreement with Mexico, covering, among other things, lead, which we import from Mexico. However, Mexico decided that she wished

to end that agreement in order to raise her tariffs; therefore, we canceled the agreement.

Subsequently, we made bilateral trade agreements with other nations covering the same products, including lead. Then, under the most-favored-nation clause, Mexico obtained the advantage of those agreements—in other words, the same advantages it had before; but this time Mexico gave us nothing in return. As a matter of fact, Mexico raised most of her tariffs on the commodities on which she had based her trade with us before.

TRADE AGREEMENT'S AUTHORITY MISUSED

The whole program patently is a fallacy and a subterfuge. It is one of the greatest hoaxes ever perpetrated on the American people, unless we consider the "dollar shortage" and some of the more famous sideline sales made to our people by the more ruthless foreign nations.

Our citizens give the money out of their taxes which we give to foreign countries, to permit them to use it in arming our enemies, thus enabling our enemies to kill our own boys. Therefore, perhaps the present trade program is not the greatest hoax ever perpetrated on the American people, but it is one of the greatest.

QUOTAS, EMBARGOES, SPECIFICATIONS, MANIPULATION OF CURRENCIES

Mr. President, I wish to point out a specific example of the administration of the 1934 Trade Agreements Act. This item is of intense interest at this time because of the debate now occurring on the proposed extension of the misnamed Reciprocal Trade Agreements Act.

There is nothing reciprocal about it.

AGREEMENTS TO LOWER TARIFFS

In the first place, the agreements are not trade agreements, but they are agreements to lower tariffs.

If the nations which are supposed to lower tariffs would live up to their agreement. However, to the contrary, although some raise their tariffs before they go into the conference, in any event, they soon invoke quotas, embargoes, specifications, manipulations of currency, and other known subterfuges by which they escape lowering their tariffs. This practice is followed by most of the nations except our own.

TARIFFS AND EXPORT TAXES FOR REVENUE

It was my good fortune to visit the Central American countries last year, and at that time to investigate their methods in manipulating their tariffs and other import fees. We went there primarily in connection with the program of Federal aid for roads. The United States had been furnishing most of the money for that purpose, and we wished to know how the work was progressing. We found that, generally speaking, the people of the Central American countries who have money will not pay taxes, and, of course, the people of those countries who do not have money cannot pay taxes.

Therefore, if those countries are to get any money, naturally they have to get it from some other source. Thus they have tariffs and export taxes for revenue. The United States seems to be about the only

country which has a taxing system by which revenue can be obtained immediately. Our Government seems to be the only government in the world that is efficient in the collection of income taxes, Great Britain excepted. We can reach the last stenographer 3,000 miles away from the Capitol for an extra \$2 a week in income taxes, with no effort at all.

MEXICO—AND MOST-FAVORED-NATION CLAUSE

The trade agreement with Mexico was terminated last year, because Mexico felt that she had to increase her tariff rates and discriminate against American imports in other ways.

In January of this year, therefore, new and higher tariff rates went into effect on most of the products which had been covered in the United States-Mexican trade agreements—this, following cancellation of the agreement, after the tariff increases by Mexico.

Since the beginning of this year the old 1930 tariff rates have been in effect. Mr. President, it is not only done in this manner, but when other countries ship anything into this country they have an export duty, which we do not have; and that, of course, means that we pay both ways.

We pay for sending our commodities into another country, and we pay for getting the commodities out of that country—commodities which we use.

Here is what the State Department has done at Torquay, England: the tariffs on most of the products covered in the extinct United States-Mexican agreement have been reduced in negotiations with countries other than Mexico, which was not represented at Torquay. In fact, most of the tariff rates on these products were not only reduced to the level which obtained during the term of the old trade agreement, but were reduced substantially below that point—that is, the tariffs were reduced below the agreed tariffs formerly in effect with Mexico.

This does not seem such unreasonable procedure until we take into consideration the fact that under the operation of the most-favored-nation clause Mexico is now again entitled to the lowered rates of duty—lower even than we had with them previously. Thus the effect of the termination of the Mexican trade agreement has been not only wiped out, but Mexico's relative position has substantially improved. In other words, Mexico raised the duties on the products imported into that country from the United States, and under the mismanagement of the State Department Mexico gets even lower duties on the material which he ships into our country, simply by the process of first canceling the rates which she had made through a bilateral agreement, and then taking advantage of the most-favored-nation clause.

The legal basis for reducing the tariff rates on certain products covered in the old Mexican trade agreement below the rates then in effect is the permission, granted in the 1945 extension of the 1934 Trade Agreements Act, to reduce by up to 50 percent the tariffs in effect on January 1, 1945.

Let me give you one example: The Tariff Act of 1930 levies a duty of \$5.60 per ton of fluorspar containing more than 97 percent calcium fluoride. The trade agreement with Mexico reduced that rate to \$4.20 per ton.

In January 1951 the old rate of the 1930 Tariff Act again became effective. At Torquay the State Department in negotiations with Canada reduced the rate to \$2.10 per ton. The agreement rate with Mexico was \$4.20 per ton. The agreement with Canada reduced it to \$2.10 per ton. Therefore, despite the termination of the Mexican trade agreement, Mexican imports of fluorspar are dutiable at the new rate only. In other words, it is a reduction of one-half—50 percent—as against the \$4.20.

Also, due to the termination of the trade agreement with Mexico, the tariff on lead was increased from three-fourths of a cent per pound to one and one-half cents per pound on January 1, 1951. That was because the agreement with Mexico, which had first been reduced, was later canceled. Thus the 1930 tariff rate was reestablished. At Torquay the United States negotiated lead tariff reductions with Canada and Peru and again reduced the lead duty by 50 percent. The interesting fact is that in 1950, 224,000 tons of lead were imported from Mexico while Canada supplied 117,000 tons and Peru only 48,000 tons, but under the most-favored-nation clause Mexico would again supply the majority of lead imports into the United States at the low rate of duty, without giving any concession in return.

NEGLECT OF THE PRINCIPAL SUPPLIER RULE

Mr. President, I now desire to call the attention of the Senate to the fact that it is a trick of the State Department—and a trick is what it is—to take a nation which is more or less unimportant in respect to its exports to this country of a certain product, and make a treaty with that nation.

A case in point is that the total imports of lead from Mexico in 1950 were 223,611 short tons; from Peru, 48,000 short tons; and from Canada, 117,087 short tons. So what does the State Department do? The principal country exporting lead to the United States was Mexico. She, of course, wanted to get the concession, in order that they might not be bound by any agreement which they had made.

Our State Department goes to a little country which exported to our country 48,000 short tons. They reduced the tariff on lead by 50 percent, bringing it down again to three-fourths of a cent per pound, a concession of little importance to Peru. But to Mexico, it made a terrific difference.

If there is anything reciprocal about such a deal, the junior Senator from Nevada would be very glad to know about it.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. MALONE. I am happy to yield to the Senator from Louisiana.

Mr. LONG. Can the Senator give us same idea as to what percentage of our over-all imports of lead, the 40,000 tons, shipped by Peru, represented?

Mr. MALONE. The imports of lead by the United States in 1950 totaled 540,756 short tons. From Peru we imported 48,000 short tons, which is a very insignificant amount.

Mr. LONG. It would be about 10 percent of the total amount imported by the United States from those three countries, would it not?

Mr. MALONE. Yes; about 10 percent.

Mr. LONG. Are we to understand that, in negotiating such an agreement, this Nation, at least theoretically, received some consideration from the nation of Peru for making the concession with regard to their lead exports to the United States?

PERU GAVE SMALL CONCESSION FOR SMALL BENEFIT

Mr. MALONE. Yes. However, the particular point I wanted to make was that they deliberately picked a country whose imports into this country were an insignificant amount of the particular item on which the agreement was made.

The advantage was immediately available to all other nations, including Mexico which was the only nation that had large exports of lead to us.

They wanted to cancel the agreement for the purpose of raising their duties but they still got the advantage of the reduction.

The Peruvian concession to the United States was tariff item 48, powdered milk.

Mr. LONG. As I understand the Senator, the agreement was negotiated with Peru whereby there was some consideration, insofar as that nation was concerned, but because of the most-favored-nations agreements with other nations, more than 90 percent of the lead gained the benefit of the reduction without the other nations making any concession to this Nation.

Mr. MALONE. That is the point.

Mr. LONG. I thank the Senator.

FOREIGN NATIONS ONLY GIVE SHAM BENEFITS

Mr. MALONE. The whole point is that the most-favored-nations clause destroys any equity that can possibly be presumed to be included in any such trade agreement, even should the nations of the world live up to their agreement. The distinguished Senator from Louisiana no doubt knows that they are not trade agreements, but are agreements to lower tariffs.

The foreign nations mostly defeat the effect of their agreements to lower tariffs through embargoes or quotas or the manipulation of the currency, as the British Commonwealth did.

Great Britain lowered the value of her money 30 percent, which had the immediate effect of lowering all our tariffs 30 percent, so far as the British Empire was concerned. It is impossible to make trade agreements with nations which manipulate their currencies, as practically all of them do.

Mr. LONG. Is not the Senator's argument, then, basically, that instead of having an established agreement which would affect every nation, consideration should be given to the cost of living and to the items produced in various countries?

FAIR AND REASONABLE COMPETITION

Mr. MALONE. Yes. The junior Senator from Nevada believes we should establish a market for foreign nations' products on the principle of fair and reasonable competition. If we are considering the case of lead, we should establish a market on the basis of what the fair and reasonable competition would be where the wage paid to foreign miners may be \$1.50 to \$2.50 a day while we pay \$10 to \$11 a day wages in the mines.

EFFICIENT MACHINERY IS NOT UNITED STATES MONOPOLY

There seems to be the fallacious belief that less efficient machinery is used abroad. That is a fallacy which the press seems to have gained.

The junior Senator from Nevada spent some time in practically all these countries. As an example, I mention South Africa, where they have abundant deposits of chromite and manganese.

Any operation would utilize the latest machinery that can be purchased in the United States.

They would have well-trained superintendents and foremen, and pay the going wage of 40 cents a day to the common labor in South Africa.

It may require two or three of the local workmen to equal one workingman in this country. They can pay six or seven of them and still have \$4 or \$5 left.

FACTORS AFFECTING FAIR AND REASONABLE COMPETITION

Mr. LONG. Do I correctly understand the Senator to contend that we should have a tariff which would bring about fair competition as to the commodities imported into this country. I would ask the Senator how he thinks that could be reconciled with the freight. If copper is produced in Arizona and sold, in competition, in New England, does the Senator think that imported copper should be equalized with the cost, plus the freight from Arizona to New England?

THE FOREIGN TRADE AUTHORITY—ICC

Mr. MALONE. Under the substitute which is offered to H. R. 1612, the Authority would operate in the same manner as the Interstate Commerce Commission, which has complete latitude in the fixing of freight rates for the carriers on the basis of a reasonable return on the investment. Under the substitute the principle of fair and reasonable competition is established, so that the factors affecting a particular commodity would be recognized.

Mr. LONG. In other words, if the copper were being consumed primarily in New England, then the Senator would agree that the market for the copper would be the logical place to look for a determination as to the price of the commodity at that point?

ESTABLISHMENT OF IMPORT FEE BASED ON SEVERAL FACTORS

Mr. MALONE. That would be one of the factors.

The argument is made that we cannot ascertain the cost in Mexico or in South Africa or in England for example for comparative purposes. The proposed

substitute includes a provision based on the landed duty-paid price. There is a provision which allows the authority to take into consideration an uneconomical operation, it does not have to take the highest cost price, but the price which it thinks is fair and reasonable.

CONSTITUTION SEPARATES NATIONAL ECONOMY FROM FOREIGN POLICY

Mr. President, the Constitution of the United States pointedly separates the regulation of the national economy from the regulation and fixing of foreign policy.

The regulation of the national economy is placed in the hands of the Congress of the United States, the legislative branch.

It places in the Congress the responsibility for the regulation of the national economy and jurisdiction over foreign commerce. The Constitution is very specific in that regard. The fixing of foreign policy is delegated to the executive branch. The fixing of foreign policy and the regulation of the national economy have been pointedly separated by the Constitution and this separation has proved over the years to be a wise provision.

The junior Senator from Nevada still believes that it is a wise provision. Through the 1934 Trade-Agreements Act, the Congress of the United States was stamped into transferring to the executive branch the regulation of the national economy through the regulation of foreign commerce. This simply means that the Executive has charge of all the important affairs of the Nation now. He regulates the national economy through regulation of the import fees and tariff. He fixes the foreign policy as the Constitution of the United States intended.

SENATE DOES NOT FIX FOREIGN POLICY

Over the past 5 or 6 months the Senate of the United States has spent a great deal of time trying to impress the world with the idea that the Senate should fix the foreign policy. I believe the President of the United States was entirely within his rights when he said that he intended to fix the foreign policy, because the Constitution gave him the authority to do so, and he had never been silly enough—as much as he has been abused during the last year or two—to give up his right to do so.

But the Congress of the United States, while reaching for the right to fix foreign policy overlooked the one important thing: That it does not have the power to fix foreign policy—and if the Congress passed an act transferring that power to the legislative branch—the President would no doubt have the gumption to veto it.

THE CONGRESS CAN STILL VOTE APPROPRIATIONS

The President of the United States now has the power to regulate foreign commerce and to fix foreign policy.

The Congress has left the power to make appropriations.

NEW ESCAPE CLAUSE AND END OF TRADE AGREEMENTS ACT EASY TO DO

Mr. President, if the Senate and the House refuse to extend the 1934 Trade Agreements Act, it will expire on June 12.

When it expires on June 12 it simply would leave the trade agreements already made, status quo.

There is no reason whatever why the Senate Finance Committee should not have reported Senate bill 1040 providing for the escape clause and substituted it for the 2-year extension measure that has been brought to the floor.

ECONOMY WOULD CRUMBLE IN CASE OF PEACE

Mr. President, the argument is made that industries and workmen would have no source of relief unless the act should be extended, including the escape clause, however, there is no excuse whatever why the broadened escape clause could not have been brought to the Senate floor as a substitute for the 2-year extension of the 1934 Trade Agreements Act.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. McFARLAND. I should like to ask the Senator if he has about concluded his remarks, or will it take him some period of time to do so?

Mr. MALONE. I think it will take a little while yet.

Mr. McFARLAND. How long?

Mr. MALONE. I am unable to estimate the time.

Mr. McFARLAND. Would the Senator be willing to yield for the purpose of a motion to recess being made until tomorrow, providing he obtains the floor after the routine business is concluded, after the convening of the Senate tomorrow?

Mr. MALONE. I should be very happy to yield for that purpose.

Mr. McFARLAND. Mr. President, I ask unanimous consent that after the transaction of routine business has been concluded tomorrow, the junior Senator from Nevada [Mr. MALONE] be given the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

During the delivery of Mr. MALONE's speech,

Mr. WHERRY. Mr. President, will the Senator from Nevada yield to me, so I may propound a question to the Senator from Georgia [Mr. GEORGE], who is in charge of the bill, if the Senator from Nevada does not thereby lose his right to the floor?

Mr. MALONE. I ask unanimous consent, Mr. President, that I may yield to the Senator from Nebraska for the purpose stated, without losing the floor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nevada? The Chair hears none, and it is so ordered.

Mr. WHERRY. Mr. President, when I was absent from the floor an order was obtained, as I understand, agreeing to the committee amendments en bloc.

Mr. GEORGE. Yes; that is correct.

Mr. WHERRY. I have no objection to that procedure. However, I had already told one or two Senators that the way to retain language which was contained in the bill as it came from the House was to resist the Senate amendments. If a Senator desired to retain certain House language, I suppose

it would be necessary for him to move to reconsider the vote by which an amendment was agreed to and, then, if the amendment were rejected, the House language would be reinstated. That procedure would be in order, if a Senator wanted to have the House language reinstated, would it not?

Mr. GEORGE. Yes; it would be in order to do that.

Mr. WHERRY. That being so, may I ask the distinguished Senator from Georgia another question? The language of section 8, beginning in line 21 on page 11 and ending on line 7 on page 12, has been stricken by the committee. That is the section dealing with agricultural commodity price support. The bill as passed by the House provided that no concessions should be made which would reduce the price of agricultural products below the parity price. Am I correct in that interpretation?

Mr. GEORGE. Yes. I think the Senator's interpretation is correct.

Mr. WHERRY. In looking through the report rather hastily, I have not found—no doubt they are in the report—the reasons why the Senate committee struck out the House language of section 8. The distinguished Senator from Georgia recalls, I am sure, the long debate we had about the importation of Canadian potatoes. I am also sure he recalls that at one time the tariff on imported Canadian potatoes, if I remember correctly, was reduced to as low as about 65 or 75 cents a hundred pounds. I think that was about the figure. At the same time in the United States the support price was about \$2 a bushel. This permitted the importation of Canadian potatoes, and, as I recall, upwards of 15,000,000 bushels came into this country. I am not sure that all the 15,000,000 bushels of potatoes came from Canada. I make no reflection on Canada. The potatoes, however, came into this country. At the same time we had a surplus of potatoes and were selling them for, I believe, 1 cent a hundred pounds—perhaps I am mistaken and the price was \$1 a hundred pounds—in order to get rid of the potatoes in the market. At that time there was considerable debate over the principle of permitting the importation of potatoes into this country while permitting the tariff on them to be reduced to a point which was below the support price.

I do not now argue whether support prices are right or wrong, but inasmuch as there is a support price, there seems to be a strong indication that the end result is that although the Canadian farmers came into a market which had a support price, yet the tariff was so low that they could sell the potatoes and still net \$1.25 or \$1.50 a bushel, and thus we were simply subsidizing the Canadian farmers on the importation of those potatoes. I notice the House wrote into the bill language dealing with that situation. I ask the distinguished Senator from Georgia if he will give an explanation as to why the Senate committee struck out the House language.

Mr. GEORGE. I have done so. The Senator was not present.

Mr. WHERRY. I am sorry. I was attending a committee meeting.

Mr. GEORGE. I read from the committee report, which, by the way, was unanimous. The following is from page 7 of the committee report:

The House-approved amendment which would have prevented tariff concessions from applying to imported agricultural commodities being sold under a price-support program in the United States has been deleted. It was felt that the intermittent application and withdrawal of price supports would make concessions on the products concerned untenable. The uncertainties growing out of such operations would interfere with or obstruct the normal trade in price-supported products.

It must be remembered that we export five times as much as we import of this type of products.

Mr. WHERRY. Does the Senator mean potatoes?

Mr. GEORGE. I mean agricultural products.

Mr. WHERRY. I understand that. Mr. GEORGE. We import potatoes and we export potatoes. We are large exporters of potatoes.

I invite attention to the following language from the committee report:

Your committee adopted an amendment designed to protect the full operation of section 22 of the Agricultural Adjustment Act. If a case should arise where required action under section 22 would conflict with any trade agreement, then the action under section 22 shall prevail.

So complete protection can be given under the new provision which we have placed in the bill, making it mandatory upon the President to see that something is done to protect an agricultural commodity which is being supported under section 22. The President can do that, of course, as provided in section 22. What the bill does is to repeal subsection (f), which got into the act as an amendment, and which rather required section 22 to conform to the agreements. I believe that when the Senator considers what the House language did, he will see that, as a matter of tariff making, it is an impossible program. I read the sentence again:

It was felt that the intermittent application and withdrawal of price supports would make concessions on the products concerned untenable.

It would be impossible to negotiate agreements with respect to them, because there would be no certainty about their operation. Since our exports of agricultural commodities exceed our imports by a considerable margin, it was felt by the committee that there ought to be certainty in the law.

The bill removes subsection (f) from section 22, and leaves section 22 in such a condition that it prevails over the agreement.

We also amended the escape clause. We took great care in amending the escape clause. The committee gave a great deal of attention to it. It seems to me that we have taken care of the situation.

Mr. WHERRY. Mr. President, will the Senator further yield?

Mr. GEORGE. I yield.

Mr. WHERRY. I should like to ask another question. First, I should like to state to the distinguished Senator from Georgia that the amendment found on page 13, in subsection (f), is a splendid addition to the bill. The action of Congress with respect to a previous bill apparently permitted the State Department to override these agreements, which caused some difficulty. I believe that subsection (f) is a very good amendment. But I do not see how that in any way affects the proposal of the House, unless it supersedes it. However, in my opinion, it is not a cure-all.

Mr. GEORGE. Under section 22 the President would be authorized to establish a quota on imports of an agricultural product. There is nothing to restrain him. It affords the broadest possible protection.

Mr. WHERRY. In other words, the Senator states that the aid upon which we might rely is that the President, after he has been advised by the Tariff Commission, or from other sources, may establish quotas under section 22.

Mr. GEORGE. Yes; he may establish quotas.

Mr. WHERRY. Has he that right now?

Mr. GEORGE. He cannot do it now.

Mr. WHERRY. Quotas have been established—

Mr. GEORGE. We propose to repeal subsection (f). That repeal would assist the President in establishing quotas. Furthermore, under the escape clause any interested party can invoke the escape clause.

With those provisions, it would seem that agricultural products the price of which we were supporting could very well be protected. I agree with the Senator that it is illogical to support the price of a farm commodity and at the same time so reduce the protection of that particular price as to permit its undercutting and undermining.

Mr. WHERRY. If the Senator will further yield, for the life of me I cannot see how, under the escape clause, we get legislation which is helpful. I can see that pursuant to the terms of section 8, under the provisions of section 22 of the Agricultural Adjustment Act, if a condition exists requiring emergency treatment, the Tariff Commission shall make an investigation. I think that is a good thing. However, that is not mandatory. There is nothing in the provision which nullifies a concession already made. All that can be done is to investigate. Where is there any legislative relief? In the event a concession is made by the President as a result of which agricultural products come into the United States below the support price, is there any way, legislatively, to prohibit such a condition by increasing the tariff, or affording some definite relief, rather than merely suggesting the problem to the President of the United States for his consideration?

Mr. GEORGE. Mr. President, if a perishable product is involved, the Secretary of Agriculture can put in motion all the relief provisions of these several amendments. The Secretary of Agriculture can call upon the President and

upon the Tariff Commission. The Tariff Commission must act expeditiously, and the President is given direct authority to act without waiting for the report of the Tariff Commission.

Mr. WHERRY. I agree to all that.

Mr. GEORGE. In the event that the price of an agricultural commodity is being supported, or other support measures have been taken in conformity with section 22, if a question arises, the case must be adjudged on its own merits. The President has not only ample power to deal with rates in that instance, but he has express power, I should say, to establish a quota.

Mr. WHERRY. Mr. President, will the Senator yield for a further question?

Mr. GEORGE. I am glad to yield.

Mr. WHERRY. I do not wish to take up too much time. With the exception of the escape clause, all the steps which the distinguished Senator has mentioned were followed in the case of potatoes. The President was advised; the Secretary of State was advised; the Secretary of Agriculture was advised; and in the final analysis nothing was done. The potatoes continued to come into the United States. They came in with so little protection—

Mr. GEORGE. I may say that section 22 could not apply because of the agreement. We have amended section 22. We have taken out the prohibition. It does now apply.

Mr. WHERRY. I have just commended the Senator and the committee for the very fine work in connection with the amendment.

Mr. GEORGE. That amendment, coupled with the escape clause, certainly should give agriculture protection.

Mr. WHERRY. All the amendment does is to bar the State Department or the President from overriding the law as we make it.

Mr. GEORGE. That is correct. However, when the Senator complained before about potatoes, the agreement at that time was outstanding, and the President could not act under section 22. No action could be taken under section 22 because of the agreement itself. We have removed that impediment or inhibition. Quotas can be imposed and complete protection can be given to a commodity which is supported by any one of our farm programs.

Mr. WHERRY. Of course, what the legislative effect of the amendment would be, I am not certain. I have a great respect for the judgment of the distinguished Senator from Georgia and for the minority member of the committee, the Senator from Colorado [Mr. MILLIKIN]. I have discussed the matter personally with him. Perhaps subsection (f) does go a long way toward resolving the difficulty with respect to the importation of agricultural products. However, even though it be adhered to, the point I am making is that there is absent any requirement that the President or the Secretary of Agriculture shall carry out the good suggestions of the Senator from Georgia. In the final analysis, as I read the bill, all we can hope for is an immediate investigation by the Tariff Commission. Then

they would make their recommendations to the President. We have a discretionary situation in which the President may take immediate action. The bill does not say he must take action.

Mr. GEORGE. Section 22 requires the President to act. I believe if the Senator will read section 22 he will see that the fullest power is there given, and that a direct and mandatory requirement is placed upon the President. At least that is my understanding of it.

Mr. WHERRY. I am glad to hear the Senator say so. I am glad to have his interpretation of section 22 of the Agricultural Act.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3587) making supplemental appropriations for the fiscal year ending June 30, 1951, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered 2, 4, 5, 6, 7, 13, and 33 to the bill, and concurred therein, and that the House receded from its disagreement to the amendments of the Senate numbered 18, 19, 25, 28, and 34, to the bill, and concurred therein, severally with an amendment, in which it requested the concurrence of the Senate.

SUPPLEMENTAL APPROPRIATIONS, 1951— CONFERENCE REPORT

Mr. McKELLAR. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3587) making supplemental appropriations for the fiscal year ending June 30, 1951, and for other purposes, and I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER (Mr. HUNT in the chair). The report will be read for the information of the Senate.

The report was read by the legislative clerk, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3587) making supplemental appropriations for the fiscal year ending June 30, 1951, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 12, 14, 16, 17, 20, 24, 26, 27, and 29.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 8, 9, 10, 11, 21, 23, 30, 31, 32 and 35, and agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert: "\$3,300,000"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said

amendment insert: "\$5,750,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 2, 4, 5, 6, 7, 13, 18, 19, 25, 28, 33, and 34.

KENNETH McKELLAR,
CARL HAYDEN,
RICHARD B. RUSSELL,
JOSEPH C. O'MAHONEY,
STYLES BRIDGES,
HOMER FERGUSON,
KENNETH S. WHERRY,
GUY CORDON (with reservations),
Managers on the Part of the Senate.

CLARENCE CANNON,
ALBERT THOMAS,
W. F. NORRELL,
JAMIE L. WHITTEN,
JOHN TABER,
R. B. WIGGLESWORTH,
GLENN R. DAVIS,
Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the conference report?

There being no objection, the report was considered, and agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 3587, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
May 21, 1951.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 2, 4, 5, 6, 7, 13, and 33 to the bill (H. R. 3587), entitled "An act making supplemental appropriations for the fiscal year ending June 30, 1951, and for other purposes," and concur therein.

That the House recede from its disagreement to the amendment of the Senate numbered 18 to said bill and concur therein with the following amendment: In lieu of the sum of "\$1,000,000," named in said amendment, insert "\$1,750,000."

That the House recede from its disagreement to the amendment of the Senate numbered 19 to said bill and concur therein with the following amendment: In lieu of the matter stricken by the said amendment insert:

"No money made available to the Department of Commerce, for maritime activities, by this or any other act shall be used in payment for a vessel the title to which is acquired by the Government either by requisition or purchase, or the use of which is taken either by requisition or agreement, or which is insured by the Government and lost while so insured, unless the price or hire to be paid therefor (except in cases where sec. 802 of the Merchant Marine Act, 1936, as amended, is applicable), is computed in accordance with subsection 902 (a) of said act, as that subsection is interpreted by the General Accounting Office."

That the House recede from its disagreement to the amendment of the Senate numbered 25 to said bill and concur therein with an amendment, as follows: In lieu of the matter stricken by said amendment insert: "and transfers may be made between appropriations or allocations within any such department, agency, or corporation as may be necessary to carry out this proviso, and no allocation shall be made to any agency which can perform such defense activities as may have been or hereafter be assigned to such agency which can be performed by its regular personnel by use of the foregoing authority to realine its regular programs."

That the House recede from its disagreement to the amendment of the Senate numbered 28 to said bill and concur therein with

H. R. 1612

IN THE SENATE OF THE UNITED STATES

MAY 22 (legislative day, MAY 17), 1951

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. MAGNUSON to the bill (H. R. 1612) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, viz:

1 On page 12, line 25, after “(b)” strike out “Subsection
2 (f) of”.

3 On page 13, strike out lines 3, 4, 5, and 6 and insert
4 the following:

5 “(a) Whenever the Secretary of Agriculture has reason
6 to believe that any article or articles are being or are prac-
7 tically certain to be imported into the United States under
8 such conditions and in such quantities as to render or tend
9 to render ineffective, or materially interfere with, any pro-
10 gram or operation undertaken under this title or the Soil
11 Conservation and Domestic Allotment Act, as amended, or

1 section 32, Public Law Numbered 320, Seventy-fourth Con-
2 gress, approved August 24, 1935, as amended, or any loan,
3 purchase, or other program or operation undertaken by the
4 Department of Agriculture, or any agency operating under
5 its direction, with respect to any agricultural commodity or
6 product thereof, or to reduce substantially the amount of any
7 product processed in the United States from any agricultural
8 commodity or product thereof with respect to which any
9 such program or operation is being undertaken, he shall
10 cause, on his own motion or on the motion of interested pro-
11 ducers or processors, an immediate investigation to be made
12 by the appropriate officer or agency of the United States
13 Department of Agriculture responsible for the administration
14 of the affected program, which shall give precedence to in-
15 vestigations under this section to determine such facts. Such
16 investigation shall be made after due notice and opportunity
17 for hearing to interested parties, and shall be conducted sub-
18 ject to such regulations as the Secretary of Agriculture shall
19 specify.

20 “(b) If, on the basis of such investigation and report
21 to him of findings and recommendations made in connection
22 therewith, the Secretary of Agriculture finds the existence
23 of such facts, he shall certify to the President such facts and
24 the President may by proclamation impose such fees not in
25 excess of 50 per centum ad valorem of such quantitative

1 limitations on any article or articles which may be entered,
2 or withdrawn from warehouse, for consumption as he finds
3 and declares shown by such investigation to be necessary in
4 order that the entry of such article or articles will not render
5 or tend to render ineffective, or materially interfere with,
6 any program or operation referred to in subsection (a), of
7 this section, or reduce substantially the amount of any prod-
8 uct processed in the United States from any such agricul-
9 tural commodity or product thereof with respect to which any
10 such program or operation is being undertaken: *Provided*,
11 That no proclamation under this section shall impose any
12 limitation on the total quantity of any article or articles which
13 may be entered, or withdrawn from warehouse, for consump-
14 tion which reduces such permissible total quantity to pro-
15 portionately less than 50 per centum of the total quantity of
16 such article or articles which was entered, or withdrawn
17 from warehouse, for consumption during a representative
18 period as determined by the Secretary of Agriculture: *And*
19 *provided further*, That in designating any article or articles,
20 the Secretary of Agriculture may describe them by physical
21 qualities, value, use, or upon such other bases as he shall
22 determine.

23 “(c) If, on the basis of such investigation and report
24 to him, the Secretary of Agriculture does not find the exist-
25 ence of the facts specified in subsection (a) of this section,

1 the Secretary of Agriculture shall transmit such report to
2 the Committee on Agriculture of the House to the Committee
3 on Agriculture and Forestry of the Senate together with
4 a statement of his conclusions thereon. If the Secretary of
5 Agriculture does find the existence of such facts, he shall,
6 within twenty days from the date of his certification of such
7 facts to the President, transmit to said committees of the
8 Congress a copy of such report together with a copy of his
9 certification of such facts to the President. If the President
10 does not impose such fees or such quantitative limitations
11 contemplated by subsection (b) of this section within twenty
12 days after his receipt of a certification of the facts from the
13 Secretary of Agriculture, he shall immediately submit a
14 report to the Committee on Agriculture of the House and to
15 the Committee on Agriculture and Forestry of the Senate
16 stating why he has not imposed such fees or such quantitative
17 limitations.

18 “(d) The fees and limitations imposed by the President
19 by proclamation under this section and any revocation, sus-
20 pension, or modification thereof, shall become effective on
21 such date as shall be therein specified, and such fees shall be
22 treated for administrative purposes and for the purposes of
23 section 32 of Public Law Numbered 320, Seventy-fourth
24 Congress, approved August 24, 1935, as amended, as duties
25 imposed by the Tariff Act of 1930, but such fees shall not

1 be considered as duties for the purpose of granting any pref-
2 erential concession under any international obligation of the
3 United States.

4 “(e) After investigation, report, finding, and declara-
5 tion in the manner provided in the case of a proclamation
6 issued pursuant to subsection (b) of this section, any proc-
7 lamation or provision of such proclamation may be suspended
8 or terminated by the President whenever the Secretary of
9 Agriculture finds and certifies to the President that the cir-
10 cumstances requiring the proclamation or provision thereof
11 no longer exist or may be modified by the President when-
12 ever the Secretary of Agriculture finds and certifies to the
13 President that changed circumstances require such modifica-
14 tion to carry out the purposes of this section.

15 “(f) Any decision, finding, or certification of facts and
16 required fees or quantitative limitations of the Secretary of
17 Agriculture under this section shall be final.

18 “(g) No trade agreement or other international agree-
19 ment heretofore or hereafter entered into by the United
20 States shall be applied in a manner inconsistent with this
21 section.”

82ND CONGRESS
1ST SESSION

H. R. 1612

AMENDMENTS

Intended to be proposed by Mr. MAGNUSON to the bill (H. R. 1612) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

May 22 (legislative day, May 17), 1951

Ordered to lie on the table and to be printed

By Mr. SCHOEPPEL:

Editorial entitled "The Blinding Glare From a Senator's Searchlight," published in the San Antonio Express, commenting on a colloquy between Senator SMITH of New Jersey and Defense Secretary Marshall in the hearing before the Armed Services and Foreign Relations Committees.

By Mr. LANGER:

An article under the headline RFC Scandal Revealed, written by Robert Young, and published in the Washington Times-Herald of May 22, 1951.

An article entitled "American Farmer 'Most Underpaid,' Brannan Asserts," written by Harlan Trott, and published in the Christian Science Monitor of April 24, 1951.

An article entitled "Resignations Near 1,000 Mark, 70 Percent at Joyfield Quit," published in the Voice of Branch 1, of the National Association of Letter Carriers, May 1951.

By Mr. McCARTHY:

Editorial entitled "Silent Generals," from the Washington Star of May 22, 1951, and an article entitled "These Days," by George Sokolsky, published in the Washington Times-Herald of May 22, 1951.

NATIONAL MARITIME DAY

Mr. O'CONOR. Mr. President, I ask unanimous consent that a statement which I prepared concerning Maritime Day be inserted in the RECORD as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR O'CONOR

It is appropriate, indeed, that today, May 22, the anniversary of the sailing in 1819 of America's first steamship, the *Savannah*, has been set aside for annual observance as National Maritime Day. If anything needs to be recalled, and to be emphasized, to the American people, it is the part, the great part, which the merchant marine plays in the economic life of our country in peacetime and in the defense of our freedoms in wartime. Only thus can we ever hope to bring home to our people the deplorable treatment which has been accorded to this great instrument of peace and national prosperity.

The American merchant marine has been rightly called the fourth arm of American defense. It has been our national good fortune that the wars of our generation have been fought on foreign soil—and if again we are forced to meet an aggressor we shall hope to keep him beyond the seas. How can this be done without a bridge of ships to keep our forces fed as well as supplied and equipped with the vast machinery needed to make modern war?

The privately owned merchant fleet flying the United States flag today totals 1,310 ships of over 15,500,000 deadweight tons, but even this fleet is not enough to meet the needs created by the present emergency—the military needs in Korea and the civilian emergency needs of the democracies of the world. Already 272 Government cargo vessels have been withdrawn from our reserve fleet of Victory ships and Liberty ships, and these are either already in service or being prepared for service.

In the operation of these Government-owned ships use is being made of the experience and resourcefulness of American operators in the shipping industry under a policy which takes care so far as possible to see that these ships supplement our private fleets and are not operated in competition against them. Congress passed Public Law 591 providing that only after a public hearing in each case should it be ascertained that their operation is needed in the public interest, and that not United States private ships are available on reasonable terms to

supply the particular need. The remainder, including some 123 Liberty ships, are either in service or being put into service by the newly organized National Shipping Authority, within the Maritime Administration.

The United States merchant marine faces a most severe competition from foreign-flag ships. This country has set standards of safety, of wages, and of maintenance aboard American-flag ships high enough to encourage our best young men to follow the calling of the sea. It is, therefore, essential if we are to have for our national strength in time of peace or war a strong and vigorous merchant marine, that our shipping industry receive from this country a wholesome, dependable and substantial support. The long-range shipping bill now before this body and various bills for the granting of aid to the democracies of the world embody provisions supporting our merchant marine along the lines which I have indicated and which I believe to be of such high importance.

This country cannot sit back, however, and assume that our present fleet can meet every emergency that may arise. Despite the fact that a fleet of 25 of the new mariner class dry cargo carriers is being constructed in 5 of the shipyards of this country, which ships will have substantially twice the speed of the Victory ships which are laid up in the reserve fleet, more of them will be needed. And, of highest urgency, we must also bear in mind the need of new and fast passenger carriers available to do a vital troop-carrying job in case of need.

On this point I would like to insert in the RECORD, as a part of my remarks, a statement by Frank J. Taylor, president of the American Merchant Marine Institute, Inc., which presents forcefully the need for new passenger vessel construction.

(By Frank J. Taylor, president, American Merchant Marine Institute, Inc.)

Any appraisal of the American merchant marine that would be made on the occasion of the annual observance of National Maritime Day, May 22, would have to give recognition to the fact that this country possesses a merchant fleet that is out of balance because it lacks sufficient passenger liners.

With the completion of the *Constitution* this month and the launching of the superliner *United States* next month, the passenger-ship construction program in this country is virtually completed and little has been done about initiating new construction. Our merchant marine today is comprised of many fast and modern freighters, the largest tanker fleet in the world, and representative refrigerated units and bulk carriers, but the number and tonnage of our passenger liners are completely out of proper proportion for both our commercial needs and more important, for requirements of national defense.

Including ships in active service and in lay-up, the United States has 3,492 vessels, but of these only 79 can be listed as passenger liners. Of these only 47 are in service, the balance being in lay-up because they are either unsuitable or obsolete. When the over-all size of the American fleet and its passenger carriers are compared with those of other maritime nations, America's lack of balance is even more noticeable.

Great Britain, with 2,605 ships of all types, has 279 passenger vessels. Holland, with 500 vessels, has 89 in the passenger category. France, with 519 ships, has 72 liners. Italy, with 423 ships, can boast of 48 passenger carriers. Soviet Russia includes in its fleet of 432 ships 63 vessels for passengers.

That other countries realize the need for passenger liners can be readily seen in the fact that foreign nations have on order or under construction 97 liners as contrasted

with the 2 presently being built in the United States.

To correct this shortage of passenger liners, Congress should take prompt action on the long-range shipping legislation now before it, which would provide a stimulus for new construction in that it would create economic conditions that would make it possible for shipowners to build more liners.

Mr. MAGNUSON. Mr. President, I ask unanimous consent to have printed in the RECORD a statement I have prepared for insertion in the RECORD on today, May 22, National Maritime Day.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR MAGNUSON

Today, May 22, I am pleased to call to the attention of the Senate the fact that this is National Maritime Day, which commemorates the sailing in 1819 of America's first steamship, the *Savannah*.

I want to take a few moments to describe the tremendous job which the American Merchant Marine has been doing in the past year, and to tell the needs of the Nation in connection with the shipping industry.

I recently returned from the Far East where it was my privilege to visit the fighting front in Korea and to talk with the men responsible for our battle against Red aggression.

You will be pleased to learn that those fighting men are strong in their praise for the work of the American shipping industry.

The war in Korea, coming suddenly as the Communists began their swift move of aggression last June, did not find America unprepared so far as its shipping was concerned.

Our privately owned vessels immediately moved in to fill the tremendous need which developed, almost overnight, for transport for men and matériel.

As the need grew, the Federal Maritime Board and the Maritime Administration began breaking out vessels from the reserve fleet which we had so wisely provided, following the end of World War II.

By late April 1951 we had withdrawn from the reserve fleets and placed in operation a total of 149 Victory cargo ships.

Then the Nation turned to the flotilla of Liberty ships, also in our reserve fleet. The National Shipping Authority since March 13 has moved rapidly to call 125 of these vessels out of mothballs. Already approximately half that number are at sea, hauling bulk cargoes of coal, grain and ores of the type they handled so efficiently and economically in World War II.

The Federal Government, working in close cooperation with the United States shipping industry, has seen to it that the men and the weapons needed for the battle against communism have been delivered wherever needed—and on time.

We owe a salute to the men who have sailed those ships, for they have done a splendid job.

These men and ships are making it possible for the United States to demonstrate its ability to meet commitments which arise from its role as a world leader.

We must look to the future, however. We must keep our Merchant Marine strong so that it can enable this Nation to meet commitments which will come in years which lie ahead.

We need a long-range shipping program which will insure strength in all phases of the shipping industry.

We must plan for an accelerated shipbuilding program on all coasts. In addition to the 25 Mariner-class vessels which are under contract, we need more fast cargo ships which will not only be suitable for operation

under war conditions but which also can serve as the future replacement vessels for our commercial fleets. The Victory and the Liberty ships of which I spoke a few moments ago are doing a grand job, yes, but we must remember they are old and cannot economically be operated for many more years. We also have additional passenger vessels, of a type which easily can be converted for use as troop transports. And we need additional vessels for our tanker fleet.

And there is another thing we must have. That is a firm resolve to keep our shipping industry strong, and to make sure that post-emergency operation of merchant ships remains in private hands. Past experience has shown the wisdom and the actual economy of private operation.

A wise, long-range program looking to the future will insure new and speedy ships to enable us to meet all competition and will insure a healthy, strong merchant marine that can step into any breach.

A combination like that will remain the fourth arm of our defense; it will keep America's economy strong and offer us protection against the aggressive designs of any warlike nation, or combinations of nations.

TRADE AGREEMENTS EXTENSION ACT OF 1951

The Senate resumed the consideration of the bill (H. R. 1612) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

The VICE PRESIDENT. The question before the Senate is on the amendment of the Senator from Nevada [Mr. MALONE], in the nature of a substitute for the bill H. R. 1612.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. WHERRY. I believe the junior Senator from Nevada now has the floor, by unanimous consent?

The VICE PRESIDENT. That is true.

Mr. WHERRY. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hendrickson	Monroney
Anderson	Hennings	Moody
Bennett	Hickenlooper	Morse
Benton	Hill	Mundt
Brewster	Hoey	Murray
Bricker	Holland	Neely
Bridges	Humphrey	Nixon
Butler, Nebr.	Hunt	O'Connor
Byrd	Ives	O'Mahoney
Cain	Jenner	Pastore
Capehart	Johnson, Tex.	Robertson
Carlson	Johnston, S. C.	Russell
Case	Kem	Saltonstall
Chavez	Kerr	Schoeppel
Clements	Kilgore	Smathers
Connally	Knowland	Smith, Maine
Cordon	Langer	Smith, N. J.
Dirksen	Lodge	Smith, N. C.
Douglas	Long	Sparkman
Duff	Magnuson	Stennis
Dworshak	Malone	Taft
Eastland	Martin	Thye
Ellender	Maybank	Tobey
Ferguson	McCarthy	Underwood
Fulbright	McClellan	Welker
George	McFarland	Wherry
Gillette	McKellar	Wiley
Green	McMahon	Williams
Hayden	Millikin	

Mr. JOHNSON of Texas. I announce that the Senator from Delaware [Mr. FREAR], the Senator from Colorado [Mr. JOHNSON], and the Senator from Ten-

nessee [Mr. KEFAUVER] are absent on official business.

The Senator from Nevada [Mr. McCARRAN] is absent by leave of the Senate on official business.

The Senator from New York [Mr. LEHMAN] is absent by leave of the Senate on official business, having been appointed a member of the United States delegation to the World Health Organization, which met in Geneva, Switzerland.

Mr. SALTONSTALL. I announce that the Senator from Maryland [Mr. BUTLER], the Senator from Montana [Mr. ECTON], and the Senator from Vermont [Mr. FLANDERS] are absent on official business.

The Senator from Utah [Mr. WATKINS] is absent because of illness.

The Senator from North Dakota [Mr. YOUNG] is absent by leave of the Senate.

The VICE PRESIDENT. A quorum is present.

The Senator from Nevada.

Mr. WHERRY. Mr. President, will the Senator from Nevada yield so that I may propound a question to the distinguished Senator from Georgia?

Mr. MALONE. I am happy to yield.

Mr. WHERRY. Mr. President, I have asked the Senator from Nevada to yield so that I may propound a question to the distinguished Senator from Georgia [Mr. GEORGE] with reference to the subject matter we discussed yesterday afternoon.

Mr. GEORGE. If the Senator will permit me, and it is agreeable to him, I should like to make a brief statement. I shall cover the point which I think he has in mind without elaborating on it.

Mr. WHERRY. I shall be very happy to have the distinguished Senator from Georgia make any observation he may care to make so that we may have his viewpoint with respect to the striking out of the amendment.

Mr. GEORGE. The amendment to which the Senator referred yesterday, when consideration of the conference report superseded proceedings on the pending bill, is the amendment to which he is now referring, I assume.

Mr. WHERRY. I have reference to the striking out by the committee of section 8 on page 11.

Mr. GEORGE. Yes, Mr. President, both for the purpose of clarifying the Record and because I may have somewhat overstated the fact in the Record, I should like to say, first, that the section was stricken out because the committee believed it was impossible of administration. It would be necessary intermittently to make readjustments in order to administer the provision as it was written.

Second, the committee was of the opinion that we would lose in concessions from other countries because of the fact that we could not make firm, binding, and positive agreements.

Third, the price supported product exports were five times as much as imports. That is about the ratio.

Fourth, section 22, together with the escape clause, to which I called attention yesterday, would cover the problem. That was the opinion of the committee.

With reference to section 22, I wish to make clear precisely what can and cannot be done under it in view of the amendment striking out subsection (f) of section 22.

If the fact of interference by imports with a program of price support is shown—in other words, it must first be shown—the President must act under section 22.

Under section 22, this is the present requirement—

Whenever the Secretary of Agriculture has reason to believe that any article or articles are being or are practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, any program or operation undertaken under this title, as amended, or section 32, Public Law No. 320, Seventy-fourth Congress, approved August 24, 1935, as amended, or any loan, purchase, or other program or operation undertaken by the Department of Agriculture, or any agency operating under its direction with respect to any agricultural commodity or product thereof, or to reduce substantially the amount of any product processed in the United States or from any agricultural commodity or product thereof with respect to which any such program or operation is being undertaken, he—

The Secretary of Agriculture—

shall so advise the President, and if the President agrees that there is reason for such belief, the President shall cause an immediate investigation to be made by the United States Tariff Commission, which shall give precedence to investigations under this section to determine such facts. Such investigation shall be made after due notice—

And so forth.

(b) If, on the basis of such investigation and report to him of findings and recommendations made in connection therewith, the President finds the existence of such facts—

He shall then proceed to put into effect the remedies provided in section 22. It then becomes mandatory upon the President to put into effect the remedies provided in section 22.

Mr. WHERRY. That is correct.

Mr. GEORGE. That was the point. Upon that point I somewhat overstated the law, and I wish to make it clear. It is not mandatory unless the President finds that the facts reported to him are true—that is to say, unless as stated in subsection (b):

If, on the basis of such investigation and report to him of findings and recommendations made in connection therewith, the President finds the existence of such facts—

He then must proceed.

It was the opinion of the committee—and I think this is important, and I wish to make it clear—that if further strengthening of section 22 was desirable, it should be done by way of amendment to that section in the Agricultural Adjustment Act, or in the act in which section 22 was originally inserted. That would not be a proper function of the Finance Committee, and we did not feel that we should undertake to amend that act. We did feel justified in removing the inhibition against the full operation of section 22, notwithstanding there might be in existence a trade agreement which, under the law prior to the amendment removing subsection (f), would

have prevented the action by the President.

I think that is a sound position. Although I shall not put the testimony into the Record now, nevertheless in the record before the committee will be found the testimony of the Federal Farm Bureau's representatives and of representatives of the Cotton Council and of the Farmers Union. In other words, representatives of the farmers themselves appeared before the committee; and although they did not ask for section 8, which was a House amendment, and which was stricken, yet they agreed that it would be hard to administer, and that also the procedure might be more costly than if that amendment were stricken out.

What they did request was the elimination of subsection (f) of section 22, so that the way would be open to obtain proper relief in the event any of the price-support programs were being interfered with by the Trade Agreements Act. That is the status of the matter. Those are substantially the reasons why the committee struck out the provision, but not without first having eliminated the troublesome subsection (f) of section 22.

With that statement and explanation, I hope the Senator can see at least the position taken by the committee.

Mr. WHERRY. Yes. Mr. President, I thank the distinguished Senator for his explanation of the committee's attitude regarding amendment 8, on page 11, which apparently was written in on the floor of the House, and which has to do with a provision which I think—at least, from first reading it; and I approach it in that light—is a meritorious one.

I cannot help but feel that it is most illogical to permit the importation into the United States of agricultural products on concessions so low, while the support prices for the same commodities are so high, that farmers of another country get the benefit of the support prices. We have had situations where surpluses of those supported commodities have been dumped on the open market; and in the case of potatoes we even dumped them into the ocean. It seems to me that is an illogical result.

Mr. GEORGE. The committee agreed substantially with the view just expressed by the Senator.

Mr. WHERRY. Yes.

Mr. GEORGE. However, the committee was of the opinion that the escape-clause provisions now to be inserted into the act, plus the treatment given to section 22, certainly make it entirely open to amend section 22 in any way that the proper Senate committee might wish to amend it.

Mr. WHERRY. Yes. Mr. President, I thank the distinguished Senator for that observation.

I say again, for the record, that I am in complete sympathy with the recommendation as to elimination of subsection (f) on page 13. I think its elimination goes a long way in helping the situation.

Mr. GEORGE. Its elimination is absolutely necessary.

Mr. WHERRY. Yes, but that does not completely clarify the situation, although that provision will correct an abuse which has been practiced at least during the past 2 years by the State Department, by means of which the State Department has had authority even to override what Congress did with reference to the importation of agricultural products, under section 22.

Mr. GEORGE. But now, with the amendment striking out subsection (f), that would not be the case.

Mr. WHERRY. That is true.

Mr. GEORGE. While the President would not in the first instance be compelled to act, yet if he finds upon the reports made to him by the Tariff Commission that there is cause for action, he must act; and then he has full power to act.

Mr. WHERRY. Yes.

Mr. President, if the Senator from Georgia will permit, I should like to ask another question. I do not wish to belabor this point, but I desire to get the most complete interpretation I can from the distinguished chairman of the committee.

I think we are in agreement about the illogical result and I think we are in agreement about subsection (f).

However, if in the final analysis we are to get protection from the importation of agricultural products when price supported surpluses of those products exist in this country, or when such importation would be detrimental for other reasons, we must go back to section 22 must we not?

Mr. GEORGE. That would be true—

Mr. MILLIKIN. Mr. President, if the Senator will permit an interruption—

Mr. WHERRY. I am glad to.

Mr. MILLIKIN. Let me say that the escape clause procedure, as such, is also available.

Mr. GEORGE. That is true.

Mr. WHERRY. I understand that, but there is nothing mandatory about it.

Mr. MILLIKIN. No; there is nothing mandatory about it.

Mr. WHERRY. That is the point I wish to make. I deeply appreciate having the Senator from Colorado raise that point.

Mr. MILLIKIN. The only reason why I intervened was that I understood the Senator thought the sole relief was under section 22. It can also be taken under the regular escape-clause procedure.

Mr. WHERRY. That is correct, and I thank the Senator for his observation. However, in the final analysis, even though there is available a discretionary or permissive action under the escape clause, if anything final is to be done, we have to rely upon the provisions of section 22, with respect to agricultural products.

Mr. GEORGE. That is true, but the Secretary of Agriculture is required to make a request to the President; and if there appears to be sufficient on the face

to indicate that the Secretary of Agriculture is correct, then the Tariff Commission must make the investigation; and if the President finds that its report sets forth the facts as contended by the Secretary of Agriculture, the President then must act.

Mr. WHERRY. Yes.

Mr. GEORGE. I endeavored to point out that if it is desirable further to strengthen section 22, I think undoubtedly it could be done, but that does not come appropriately within the jurisdiction of the Finance Committee.

Mr. WHERRY. The point I desire to raise then, is with respect to the final relief which might be had. I was sure yesterday that I understood section 22, because I happen to be a member of the Agricultural Subcommittee of the Committee on Appropriations. We have in the past gone over the amendments to the Agricultural Adjustment Act very carefully, especially in regard to agricultural price supports. But the provision in question in section 22 begins with the words "and if the President agrees that there is reason for such belief"; that is, the belief that products are being imported into the United States under conditions and in quantities so as to render support programs ineffective. If he believes that, and if he has reason for that belief, "the President shall cause an immediate investigation," and so forth. Last year it was pointed out to the Secretary of Agriculture and to the Secretary of State that this was not merely a provision which possibly could be overridden by an international agreement; not merely a permissive escape clause. We felt that—the State Department and the Department of Agriculture permitted an import concession, when support prices were so high, and potatoes, for example, in such great surplus, that it was ridiculous such concessions were tolerated. Yet the Secretary of State said that made no difference. He, of course, relied upon subsection (f) of section 22, which it is now proposed to amend.

Mr. GEORGE. Yes.

Mr. WHERRY. But the Secretary of State said, what is important is that we must transact business with our neighbors, and the small amount we lose in supporting the price on surplus potatoes, while imported potatoes are permitted to come in for less, is insignificant compared with the desirability of maintaining the pleasant relations which we have with our sister country across the border.

I believe the committee amendment tightens the requirements under which section 22 of the Agricultural Adjustment Act shall be applied, although the provisions of section 22 are still permissive.

I wish to thank the distinguished Senator from Georgia and the Senator from Colorado for their great work on this bill, and especially for the amendment to subsection (f) to section 22, on page 13. To me that helps tremendously. But, in the final analysis, it is my contention that the language contained in

the House bill remedies the situation, and constitutes a mandatory provision.

Mr. GEORGE. The language of the House provision would have the effect of almost killing the entire Trade Agreements Act.

Mr. WHERRY. I do not want to do that, as the Senator knows.

Mr. GEORGE. I fear it would, because I do not think the provision could be administered.

Mr. WHERRY. For that reason I should like to ask the distinguished Senator regarding the five points which he made; first, that the House provision was deleted because it would be impracticable to administer. If the Senator does not mind, I should like to know in what particular is the provision so impractical of administration.

Mr. GEORGE. It would be necessary to change the tariff with every price fluctuation which interfered with one of the support-price programs, and that would happen again and again. It would become necessary to reimpose and to readjust until there would be no finality, and there would be no actual certainty; consequently, we could not negotiate with respect to farm products. The situation to which the Senator refers may have been unfortunate, but I think it important to bear in mind that our exports of price-supported farm products. We had to about five times our total imports of price-supported farm products. We had better handle the one-fifth as proposed by the bill as reported to the Senate, with such tightening up of section 22 by the appropriate committee as may be deemed necessary. I think, however, that the President would scarcely disregard the recommendations of his own Secretary of Agriculture. If, with a price-support program being administered, because of trade agreements or concessions there is a resultant rapid increase in imports, I think the President, while he has discretionary power, certainly would listen to his Secretary of Agriculture, and, if the Tariff Commission found certain conditions to exist and so reported to the President, I apprehend that there would now be no doubt about action.

Mr. WHERRY. Mr. President, if the Senator will permit, personally I cannot see yet wherein there is any impracticability of administration. It might be that there would be, in the case of retroactive agreements, but certainly, as to future trade agreements one could be written under which, in no event, should the concession go below the support price. I can see nothing impractical at all about that. As the support price on the great crops changes annually, it might become necessary to write a provision, including a statement of what that support price is, but I can see nothing very impractical about that. For example, the farmers who take open contracts to produce corn do not know what the support price is going to be until it is finally determined by the Department of Agriculture. Certainly there should be no distinction between a domestic farmer and a foreign farmer, so far as the support price is concerned.

Mr. GEORGE. I may say to the Senator, that such a provision might be written into the bill, but it must be borne in mind that the thing which changes is the price of the imported commodity, and when it changes, it becomes necessary to make a readjustment; the result of which would be to destroy certainty in the administration of the House provision. My purpose in rising this morning was to emphasize the fact that in the opinion of the committee it is not administratively easy, at least.

Mr. WHERRY. Mr. President, if the Senator will yield further, so that I may make another observation or two, I admit that all reciprocal trade agreements are very complex in form. That is true. It is difficult to write into a bill the many things which would not only please one country but which would also please all other participating countries. But I can see no difficulty at all about providing in a reciprocal trade agreement that whenever a concession is to be made, it shall not fall below the support price, depending upon what the support price is, annually.

There may be further explanation which could be made as to the difficulty of administering such a provision. If the distinguished Senator from Georgia, or the ranking minority member of the committee, has anything further to say about its administration, or will supply the information for the RECORD, I should like to have it. We do not want to pass a bill to extend reciprocal trade agreements which will destroy the exportation of our agricultural surpluses, and certainly we want to import commodities on a basis which is fair and equitable.

With reference to our huge exports of agricultural products to a considerable extent they have been caused by the programs designed to aid other countries. A large volume of our agricultural products have been sent abroad through the generosity of the American people. When that comes to an end, then the question will be, Shall we have those markets for our export products, and what will the support price be at such time?

Mr. GEORGE. Let me call the Senator's attention to the fact that traditionally we have had large exports of farm products. For a relatively long period of time, cotton alone constituted more than 50 percent, or at least 50 percent of our exports.

Mr. WHERRY. I think that is true.

Mr. GEORGE. Also, it may be said that apples and various other farm commodities are exported. I think, if the Senator will take a very careful view of it and will read the House provision in the light of this one fact, namely, that when the price of the import goes below the parity price of the commodity—

Mr. WHERRY. I understand.

Mr. GEORGE. A readjustment will become necessary. When it comes up, that is when the import price in this market comes up to parity, then it will become necessary to make another readjustment. The result would be that we could not write firm, definite agreements

with respect to farm commodities which were available under the support-price program.

Mr. WHERRY. Mr. President, if the Senator from Nevada will yield further, I did not want to labor the point, but my reason for asking these questions is that I feel the House provision would accomplish the purpose of straightening out what I consider to be a very illogical position which we have taken in permitting the importation of agricultural products in direct conflict with price-support programs on agricultural products in this country. I am not sure what can be done about it. I certainly will consider the judgment of the distinguished chairman of the committee and also the judgment of the ranking minority member of the committee, the distinguished Senator from Colorado [Mr. MILLIKIN]. They have heard the testimony and have weighed the evidence, and they have given the Senate the benefit of their best judgment. But I shall hold the matter in abeyance, as I desire to look up a few facts myself. I hope the amendment will not be voted upon today.

I am rather interested in the Senator's statement that the Farm Bureau and, I understood him to say, the Farmers' Union, and I believe, some cotton organization, feel that the House provision should be deleted and that we should rely upon the provisions as outlined in the Senate committee text. But, regardless of whether an amendment is to be made to the Agricultural Adjustment Act or whether an amendment is to be made to this bill, I cannot help but feel, after the consideration that has been given to the question, that some more effective action should be taken. Either section 22 should be amended or modified to make it a mandatory provision, or we should do something as to the agreements.

We talk about preserving price supports. To my mind, the quickest way to ruin the price-support program is to permit the importation of products at a concession so low that the taxpayer has to pay the difference between what the product would normally sell for in the open market and the support price. We are thus subsidizing the farmers of foreign nations. If we do that, we shall ruin the very program which we are undertaking to strengthen agricultural production in the United States.

Mr. THYE. Mr. President, will the Senator yield?

Mr. WHERRY. I do not have the floor.

The PRESIDING OFFICER. The Senator from Nevada has the floor.

Mr. THYE. Will the Senator from Nevada yield?

Mr. MALONE. I yield.

Mr. THYE. Much of the discredit cast on the price-support program has been due to potatoes which were imported and added to the surplus stocks of potatoes in this country. Is not that correct?

Mr. WHERRY. I think so; yes. I offered an amendment on the floor to prevent the importation of potatoes, but it was rejected.

Mr. THYE. Potato producers have no support program to protect them if there should be an abundant harvest. The same is true with respect to apples in the Northwest, and I could refer to some other crops which are likewise affected by imports which have on a number of occasions ruined the market at the harvest season of a particular crop.

Mr. WHERRY. That is correct. The farmers have been criticized on the floor, and we have been told that taxpayers pay a large amount of money to boost prices so that farmers may enjoy parity, which will reflect the increased cost of labor and the increased cost of materials they have to buy. The statement has been made that such a program makes all prices high. What hurts is the continuation of a support price for the world. That is what we are doing so long as we permit imports to come in with concessions so low that the farmers of other nations receive the benefit of our support price.

It seems to me that the House provision strikes at a situation which is very illogical, namely, that concessions should not be made so low that foreign agricultural products could be imported to undersell our own domestic surpluses, and foreign farmers receive the benefits of support prices. There is justification for the House provision.

No Member of the Senate has greater respect than I have for the Senator from Colorado [Mr. MILLIKIN], the distinguished ranking minority member of the Finance Committee, and for the distinguished Senator from Georgia [Mr. GEORGE], the chairman of that committee. That is one committee which has a reputation for working overtime. No doubt the committee has gone into the question very carefully, much more so than any of us will do in connection with the pending bill, but we have had the problem before us previously, and we shall have it again. If we are to continue to support farm prices in this country, we cannot permit the support program to be ruined by permitting unlimited quantities of foreign agricultural products to be imported when the payment of the support prices falls upon the taxpayers.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. MILLIKIN. I should like to say to the distinguished Senator from Nebraska that he has very ably argued the provisions of the House bill. They were also argued by the minority members of the Senate Committee on Finance, but the votes were against the line of argument which the Senator from Nebraska has been following. Personally, I reserve the right to take my own position on the question.

Mr. WHERRY. Mr. President, will the Senator from Nevada yield to me so I may ask the Senator from Georgia one more question?

Mr. MALONE. Yes; I am glad to yield to the Senator from Nebraska.

Mr. WHERRY. With respect to the difficulty in administering the House provision, I wish to ask the distinguished Senator from Georgia whether any sug-

gestion was made as to permitting a leeway, let us say, of 5 percent either way before any adjustment is made, or something of that kind? Was any rule or measuring stick suggested to the committee for its consideration in connection with the House provision?

Mr. GEORGE. I do not recall that there was. As I told the Senator, the farm organizations said that they had full sympathy with the purpose of the provision, but they thought it would not be possible of administration. They said they thought it would be more harmful than helpful. Those who appeared before the committee at least took a definite position against section 8, but did insist upon a proper escape clause, and particularly the elimination of subsection (f) of section 22. They thought that would meet their problem. I have become convinced that it would, while having every sympathy with the House provision. If there should be any tightening up so as to make it completely mandatory upon the President to cause investigation to be made or take place under section 22, then, as I said before, that would be a matter which should address itself to the Committee on Agriculture and Forestry, because our committee has no jurisdiction over that particular matter.

TRADE AGREEMENTS ACT EXTENDS POWER OVER DOMESTIC ECONOMY—CONTINUED FROM MAY 21

Mr. MALONE. Mr. President, free trade, as practiced under the 1934 Trade Agreements Act, is only one of the factors used to destroy our economic system.

If a deliberate attempt had been made from the beginning to destroy it, starting 18 years ago, a better job could not have been done.

Also, there is effective free trade if tariffs are lowered below the differential between the living-standard costs here and in the competitive nations, unless the wages and investments in a particular business are written down to meet the competitive level of such foreign country living-standard nations.

TARIFFS OR SUPPORT PAYMENTS

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. MALONE. I yield.

Mr. WHERRY. In the light of that statement, I should like to ask the distinguished Senator from Nevada a question. Does he not feel that we must make a choice; that we must either have support prices, which the taxpayer has to pay, or there must be protection, so that the imports will not drag the prices so low as to ruin the American producer? Is that not true? There must be one or the other.

Mr. MALONE. The distinguished Senator from Nebraska has put his finger squarely on the sore spot. In other words, there has been a deliberate removal of the tariff or import-fee protection for the wages and investments in this country during the past 18 years, and the substitution of subsidies to uphold a tottering economy.

The establishment of subsidies is a sharpshooting game. Many times groups have attempted to secure protection for

their own particular industry through sharpshooting based upon no principle at all.

Amendments have been offered to bills to protect our fur industry, to protect our oil industry, and other industries, through quotas or subsidy payments.

Such proceedings would all be unnecessary if there were a tariff established on a fair and reasonably competitive principle, administered by a Foreign Trade Authority, such as the Interstate Commerce Commission, which is free to determine freight rates for the carriers on the basis of a reasonable return on investment.

FOREIGN TRADE AUTHORITY—ICC

Mr. President, the junior Senator from Nevada served 8½ years on the Nevada Public Service Commission. What was the criterion used by that commission with respect to rates? Exactly the same as that used by the Interstate Commerce Commission—a fair and reasonable return.

How is that established? First, all the factors are considered, and the commission arrives at a fair value of the property, considering, of course, the replacement value, and the first cost.

Amortization and all other necessary factors are included. Having arrived at a fair value of the property, the commission then decides what is a fair rate of interest under the conditions obtaining in intrastate commerce, since it is a matter of State regulation.

The same rules are applied as are applied by the Interstate Commerce Commission in the regulation of interstate commerce.

Mr. President, I say to the distinguished Senator from Nebraska that he would feel it necessary to try to protect intrastate railroad engaged in business in Nebraska if it were not for the fact that there is in existence the Interstate Commerce Commission.

If it were not for the existence of that Commission, the Senator from Nebraska would be here trying to get a lower rate for the farmers, or perhaps it would be necessary to try to have higher rates established for the railroads. He does not have to bother, however, because Congress has established the Interstate Commerce Commission, which takes care of such matters on an established principle.

NO SHARPSHOOTING

Mr. President, similar action is what the Senator from Nevada wants to have taken in connection with foreign commerce—the establishment of proper tariff principles on the bases of fair and reasonable competition, so there will be no need for sharpshooting.

ALL INDUSTRY AND LABOR AFFECTED

American producers of coal, of furs, of zinc and lead in Missouri, are always injured by imports of such products. Let us lay down a proper principle, and sharpshooting practices will not be necessary.

We now have radio communication, and whenever a regulation is issued, whenever a tariff rate is changed, the news is available to everyone, so the next day it will be known exactly who is obtaining protection and who is not. It is

impossible to keep such news from the public—and it should not be kept from the public.

SIX FACTORS TO DESTROY ECONOMIC SYSTEM

Mr. President, the six factors used in the last 18 years in preparing for the destruction of the economic system of this country include—

First. The removal of the metal base for our money, and the utter debasement of the currency of the United States of America.

There is absolutely no brake on the printing press money now. Congress has proved that it will make the change in the backing of the fictional metal base for the money. When we come to the point where we do not have enough gold in Fort Knox to have 40 percent value behind the currency, Congress changes the figure to 25 percent.

Perhaps it will not be long before they, perhaps, will change it to 15 percent, and then to 10 percent unless a definite move is made to control inflation. Congress is trained to do what the President asks it to do, and it seems that we simply cannot stop the printing of paper money, and inflation is the natural result.

Second. The free-trade program initiated through the 1934 Trade Agreements Act by the President, by his State Department, and the continual lowering of tariffs and import fees without any regard for the fair and reasonable competitive principle, and with the apparent objective from the beginning of one economic world, has laid the foundation for averaging the living standards of this country with those of the other nations of the world. Some say that was done to prevent war. Well, we have followed this path now for 18 years, and this is the second war within 10 years—world war III.

It is wearing us down "keeping us out of war."

Third. Income and other taxes are levied without restraint. They have in many cases reached the point where the law of diminishing returns takes over, and investment of venture capital is disturbed.

Just the mere fact that there is tampering with the tariffs, that there is continued tinkering with the tariffs, threatening the tariffs and import fees, not only prevents venture capital from going into a new business, but runs private capital out of the business stream of the nation.

Fourth. Subsidies are paid to producers in lieu of the tariff or import fee. As has been said, there has been a gradual substitution, of subsidies for tariffs. As a matter of fact, when the tariff and import fees are removed or substantially lowered below the differential, then the subsidies must be substituted to make up the difference, to hold our standard of living.

Fifth. The Securities and Exchange Commission, with its engineers and hand-raised economists insisting upon their own judgment as to the success of a venture before allowing stock or shares to be sold when, as a matter of fact, the real objective should be to guarantee that the truth and the facts are told to prospective investors, not to determine

the feasibility of the project, because when that is finally determined without any doubt, there is no need to sell stock. This action prevents many new business developments.

Sixth. Emergency economic controls contribute greatly to socialization and nationalization of industries and complete economic control by the President of the United States.

Such control was voted by the Senate with little question.

The junior Senator from Nevada debated the question and voted against the proposal.

REGULATION OF NATIONAL ECONOMY—FIXING FOREIGN POLICY

The Constitution of the United States pointedly separates the regulation of the national economy and the fixing of foreign policy.

The regulation of foreign commerce is one of the chief factors in the regulation of the national economy, and the Constitution fixes the responsibility for such regulation in the legislative branch of the Government, the Congress of the United States.

The President is charged with the responsibility of fixing foreign policy.

The Constitution pointedly separates the regulation of the national economy and the fixing of foreign policy.

1934 TRADE AGREEMENTS ACT

In 1934 Congress passed the 1934 Trade Agreements Act, which transferred its constitutional responsibility—not its authority—to the executive branch of the Government.

The President now has both the fixing of foreign policy and the regulation of the national economy through one of the chief factors, the regulation of foreign commerce and the fixing of tariffs and import fees.

CONGRESS MAKES APPROPRIATIONS

That leaves the Congress, and particularly the dignified Senate, with little else to do but make appropriations, and Congress usually makes the appropriations which the President suggests. Sometimes Congress cuts the appropriations which he suggests as much as 5 or 10 percent; but already he has at least 20 percent in the appropriation that he did not expect to get, so he has a little velvet left.

At least that has been the custom in the 4½ years the junior Senator from Nevada has been a Member of this body.

ABSOLUTE DISCRETION OF THE PRESIDENT

Mr. President, there has been considerable debate about the amendments which are in H. R. 1612.

Let us examine those amendments. I say again categorically that the power in the President is absolute to further reduce tariffs and import fees, just as it was under the original 1934 Trade Agreements Act.

Under House bill 1612, together with the amendments reported by the Senate Committee on Finance, the President's power to leave present trade agreements intact, or to make new ones, is absolute. The peril point provision and the escape clause are merely suggestive to the President, and provide a means of accomplishing something

which the entire history of the State Department's action in the trade agreements field emphasizes will not be done under any consideration.

We have the much discussed peril point provision. By the way, nearly all the tariffs which have been tampered with by the State Department over a period of years are now well below the peril point.

That is brought about through the Trade Agreements Act, or through agreements to lower tariffs. They are not really trade agreements.

It is also brought about by manipulation of the currencies of foreign nations, such as the British Empire.

After they had made trade agreements for 16 years with the United States Government they lowered the price of their currency from \$4.02 a pound to \$2.80 a pound. At that moment they lowered the tariffs of the United States Government more than 30 percent.

So the two amendments mean nothing in tangible results, however they may form a cushion upon which to rest a troubled conscience.

BE YOUR BROKER—ENGLAND

Mr. President, if there is any doubt about this, let anyone pick up one of the leading magazines.

I believe that the page which I have before me was torn from Look or Life magazine. However, one can pick up almost any magazine of national circulation and see an advertisement such as I am about to read. This is what it says:

Be your own importer. Because of the devalued pound you can enjoy unusual savings on these London-tailored skirts.

If you went to Europe what would you bring back?

Probably lace from France. Maybe damask from Ireland. And certainly a British cashmere, a British skirt. But now you can have your British skirt, even if the only ship you've seen is a canoe. For now you can shop on London's Bond Street—by mail. And you shop at Palmer's, Ltd., a favorite with smart women for over 80 years.

SHUT WEST VIRGINIA COAL MINES

I note that the distinguished Senator from West Virginia [Mr. NEELY] is in the chair. One can shop for his own clothes in England now, just as one can shop for his own fuel in the Middle East, and shut down coal mines in West Virginia. There is no difference, except that in shopping for clothes in England we shut down textile mills in New England and in the South, and I fear perhaps some which are now growing in the West, or will grow if we ever have the long expected period of peace which has been 18 years in coming.

I continue to read from the advertisement:

Here are skirts you can't buy in the most distinguished shops this side of the ocean.

I am reading this because this is a case in point.

OUR ECONOMY AFFECTED FROM 3,000 MILES

Our tariffs are lowered by the action of a country 3,000 miles away from the eastern shore of our country.

They manipulate the actual effective value of our tariffs merely by manipulating their money system.

There is no provision in any trade agreement that has ever been made by the State Department to take care of manipulation of currency in a foreign country. There is no suggestion of the inclusion of a provision that when there is manipulation of currency in a foreign country there shall be a corresponding adjustment in tariffs.

A FARCE ON THE FACE OF IT

So, on the face of it, it is a farce and a misrepresentation when they say they want reciprocal trade.

It is not reciprocal trade that they want. They may deceive a great many people as they have done for a long time.

However, I think the situation is improving. We are like a man who has been through a great sickness. This may be the last time—and I predict that it will be—that the Senate will ever vote to extend such an agreement or give such power to a thoroughly discredited State Department and Executive.

For 2 years more he will have the absolute power of life and death over the workmen and the investors of this Nation if the act is extended.

I continue to read from the advertisement to which I have referred:

Wait till you touch the firm British-loomed pure woolens. See the impeccable Gor-Ray tailoring, smooth as a glove at waist and hips, with permanized pleats that swing free for your country stride. These skirts are every inch aristocrats—British as an Oxford accent and midmorning tea.

Mr. President, we are very much controlled right now by the Oxford accent. Our State Department is filled with Oxford accents. So now they can buy their clothes from England by mail.

Reading further:

They've been translated into American sizes—12 to 20, zippered in the American fashion—and priced for value-conscious Americans.

The devalued British pound makes this buy possible—

That is a case in point, Mr. President. I hope the sponsors of this legislation are listening because I do not believe they thoroughly understand how we are in the power of another nation, without any action by Congress, and without any action by the State Department, except the action which has already been taken.

ENGLAND OR RUSSIA MIGHT TAKE OFFENSE

To sign a trade agreement with a foreign nation which we know manipulates currency values is as senseless as allowing the transfer of Berlin to the Russian zone without any means of ingress or egress.

It was felt, I suppose, that we might offend Russia if we asked for such a concession.

At least that was the excuse which the State Department advanced for not asking for a right of way, that to do so might offend the Russians.

I suppose the State Department is afraid of offending the British or some of the other nations if we asked for the inclusion of a clause stating that if they manipulate their currency, which results in a lowering of our tariffs by 30 or 31 percent, we may compensate for it also by a comparable raise in the tariff. I

suppose they thought it might offend the British Empire.

Mr. President, we are dealing with the British Empire, which takes in about half of the countries of the world, including Australia, Canada, India. That is the British Empire we are talking about, not only England.

I read further:

The devalued British pound makes this buy possible—a skirt you'll wear for years, wear with pride—for a mere \$10, plus duty. We even pay the postage.

Mr. President, they even pay the postage.

Actually, we shopped the best stores and couldn't find skirts to equal them at this unbelievably low price. So mail this coupon today. In 3 weeks your Gor-Ray skirt will be on your doorstep.

Send this order direct to London. (Air-mail from any part of the United States, 15 cents; ordinary mail, 5 cents.) Palmers, Ltd., 93 New Bond Street, London W. I. (Palmers, Ltd., as agents for Gor-Ray).

Enclosed find (Send cash, banker's draft or international postal order).

	Koneray		size		color.	
	Roedean		size		color.	
Size.....	12	14	16	18	20	
Waist.....	25"	27"	29"	31"	35"	
Hip.....	36"	38"	40"	42"	44"	
Length (to hem).....	31½"	32"	32"	31½"	31"	

Name.....
Address.....
City..... Zone..... State.....

Pay \$2.75 per skirt United States customs duty to your postman.

I say again that it could just as well be the fuel imported and laid down at \$1.70 or \$1.80 a ton on the east coast, and shut down part of the coal mines in West Virginia and some of the oil wells in Texas and California where producers ship their fuel a considerable distance from the point of production to the point of steam power generation, and to run the industries of our country.

GOLD EXODUS

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. MALONE. I am happy to yield to the Senator from Idaho.

Mr. DWORSHAK. The press reports that British banks are taking many million dollars' worth of our gold out of the Treasury. We recognize, of course, that at the rate of \$35 an ounce gold can be sold at probably 40 percent or 50 percent more in European markets. Is gold protected in any way under the reciprocal trade agreements?

Mr. MALONE. It is fortunate that the distinguished Senator from Idaho brought up that point at this time. The junior Senator from Nevada had just stated that we have destroyed our currency by removing the metal base from the money.

Not only is our gold supply not protected, but if I were an Englishman, a Frenchman, or the national of any of the other 16 nations, I could take ECA or Marshall-plan money and buy gold from the United States Treasury at \$35 an ounce, take it home with me, and sell it at a great increase.

Seventy dollars was the figure when I was there. I do not know what it is now, but I suppose it is around \$60 at least. In a free market, of course, we know

what gold is worth and what people will pay for it.

I was in South Africa, where an enormous amount of gold is produced. We guarantee the \$35 price. The South Africans could sell their gold any place in the world where they could get more than \$35 an ounce, and they could sell it to us if they could not get more than \$35 an ounce elsewhere.

OUR METHODS

They could let us keep it until the price went up, and then they could buy it with ECA money and sell it back to us again at the increased price. It is not a bad system for anyone who can take advantage of it.

There is one other item which I discussed in the Senate, I believe in 1947. In accordance with the usual run of things, it is about time for something to be done about it. It usually takes about 3 years for something to take effect after it first comes before the Senate. It runs like smallpox or measles; a certain time elapses, and then the effect is produced. An analogy may be found in the action we took yesterday on the conference report on the third supplemental appropriation bill.

ARMING RUSSIA AND SATELLITE NATIONS

The junior Senator from Nevada had explained all along beginning in March 1948, that we were arming Russia with the materials they needed with which to fight a world war III with us, and to consolidate their gains in iron-curtain countries and in China.

It was all explained on March 4 and 5, 1948, when the Marshall plan first came before the Senate. Only 3½ years ago, approximately. The progress in that case has not been bad. I presume that in about another 2 years we will take action against this free-trade robbery.

In about another year or two we ought to get around to replacing the metal base under our currency and stop inflation.

That is what we need, Mr. President, to stop inflation. We need a metal base to which we can tie our currency.

Otherwise we have nothing; our currency is like a loose balloon, it will continue to soar. Let us not have it go any higher.

What would that base be? It would be gold, would it not?

DID NOT WANT MARSHALL PLAN MONEY

In 1947 I went through the coal mines and through the steel mills in Birmingham. After I had gone through the mines and mills, I found that none of the owners of steel mills wanted any Marshall plan money. They wanted to deal with their local banks. I met a Mr. Jones in charge of a steel mill. Incidentally, I mentioned all this on the floor of the Senate in 1948, but it may have grown a little dim with age. Mr. Jones had obtained \$12,000,000 for improvements, and I asked him where he was getting the money for the improvements. He was very proud of new furnaces and buildings he was erecting. I said to him, "Are you getting the money from the Bank of England?"

He said, "No. I am getting it from the local banks in Birmingham."

I said, "Don't you want any of this great Marshall plan money?"

He said, "I just want them to stay out of my hair. If we take it, we will be nationalized. We may escape that if we do not take the money."

WE ARE ON OUR WAY TO NATIONALIZATION, TOO

They did not escape nationalization, and we are riding in the same direction. The same thing will happen to our coal mines, railroads, and banks. We are getting to the point where we will be able to do nothing else. If anyone has any doubt about it, let him go out on the street and ask the first 10 men he meets, "Who is running the railroads?" They will not know, unless it be by accident. The Government of the United States is running the railroads. I would say that not over one man out of a 100 in the United States knows it. So we are about ready for nationalization of industries. We may turn the railroads back this time, but perhaps never again. Someone may introduce a bill providing for the purchase at par of the common stock of the railroads, which, with the exception of the Santa Fe Railroad and the Pennsylvania, have not paid any interest or dividends for 25 years, except in wartime. It will be said that we should pay for the stock at par. We will do exactly what was done in England. We will pay so much for each railroad, and guarantee payment out of the United States Treasury. That is what was done in England.

BRITAIN WANTED TO BORROW OUR GOLD

Mr. President, in connection with my discussion of gold, I wish to refer now to what the late Mr. Bevan had to say to me in London, after I returned there from Birmingham, England. I considered Mr. Bevan a good, rough, tough man who knew his business. He had come up the hard way, through the mines. I wanted to see Mr. Cripps and Mr. Churchill. Mr. Churchill was sick, and I saw Anthony Eden in his place—not a very good substitute; but I did see him.

However, Mr. Bevan turned out to be just as tough as I had thought he was. My opening statement to him was that I thought he and I should get along all right because both of us had come up the same route.

We had quite a long talk. Finally, in sizing me up—unfortunately, he has since died—he said, "You know, I was not facetious, although some people thought I was, when I suggested, a few months ago"—it was in the spring of 1948 that I talked to him—"that you should lend your gold to us. We need it to support our currency."

Of course, when he said "lend," Mr. President, he referred to one of the gift loans that the record shows we so often make.

Mr. President, ordinarily I am very serious with dealing with representatives of other governments; but that remark of his was a little too much for my Irish sense of humor, which got the best of me, unfortunately; and I said, "Mr. Bevan, for 15 years we have had an administration in the United States which claims that gold is not necessary to back up a currency; and, to judge from the

press reports of your statements, you agree with that position. So when did this great change come over you?"

Unfortunately, Mr. President, that ended the interview.

I wish to say again that we should keep the record straight. If any Member of the Senate takes issue with the points I am making, I hope he will do so while I am on the floor of the Senate so that we may debate the matter. Under the provisions of the pending measure, the President's power will be absolute, just as it was when the 1934 Act was first placed on the statute books.

Nothing good will come of either the peril-point amendment or the escape clause because the entire policy and program and announced objectives of the State Department contravene the purpose of the amendments. Therefore, Mr. President, all that the amendments can possibly amount to will be a nice cushion for the troubled consciences of Senators who vote for adoption of the amendments.

Mr. President, in regard to the advertisement I read a few moments ago, as it appears in a leading magazine, I wish to insert in the RECORD at this point, as a part of my remarks, an editorial appearing in the Doylestown Daily Intelligencer, of Doylestown, Pa. The editorial is entitled "Philadelphia and the Tariff." I read from it:

Strange indeed is it to find the Philadelphia Bulletin teaching free-trade doctrines in the heart of the great industrial empire of southeastern Pennsylvania which owes its wealth to the American protective tariff.

How quickly the new generations forget the lessons of the past.

Mr. President, they have been living off subsidies long enough now.

I read further from the editorial:

Protectionism made Philadelphia—at least took it out of the slow tailspin it was in prior to the Civil War, and built it up during that war and during the Reconstruction era into one of the major manufacturing centers of all the world.

And now a great newspaper that has benefited most conspicuously from the wealth which protectionism helped to create in and around the City of Brotherly Love, ridicules and belittles the foundations upon which its own and its community's prosperity were built.

So the Doylestown Daily Intelligencer chides the Philadelphia Bulletin.

Mr. President, one of the reasons why the full impact of the present policy has not yet been felt is that we are still arming the mendicants of the world, if you please, with the industrial machinery they need in order to be able to destroy Philadelphia under the free-trade system.

The editorial in the Doylestown Daily Intelligencer goes on to say:

Now get to the \$64 question. Why is it that a skirt which, made in America, would sell for \$25, can be manufactured by the British to sell for \$12.75, tariff duty included?

Most of the difference in cost has to do with the standards of living of the workman in England, as compared with his American counterpart. The Briton is working on a wage which is only a fraction as much as that of the American.

Mr. President, if there is any doubt about that, just take a quick glance at chart No. 3, which now is displayed here in the Senate Chamber. This chart compares the wages paid in the manufacturing industries in the United States with those paid in similar industries in the United Kingdom. The chart shows that in the United States the average is \$1.41, as compared with an average of 39 cents in the United Kingdom. However, the Philadelphia Bulletin wants free trade. Mr. President, we thank God for a little newspaper like the Doylestown Daily Intelligencer, which has the guts to speak out. Perhaps it has more guts than the Senate has; I am not sure yet.

I read further from the editorial:

The items of daily life which are considered necessities by the American—an automobile, all sorts of electrical equipment, etc.—are rare luxuries among the working classes in England.

And here's the point—

The editorial now is referring to the advertisement to which I have previously referred—an advertisement by an English manufacturer, appearing in an American magazine:

Every skirt sold by mail out of the production of the British mills is one less sold from the output of American labor.

Carrying the Bulletin argument to its logical extreme, we would buy this country's skirts out of the cheaper British market, and let our own factories shut down—and our American garment workers go on relief.

Mr. President, there seems to be no difference of opinion as to what the effect would be. Nevertheless we are met with a proposal from the great—and it is great—and dignified Senate Finance Committee that for two more years we put into the hands of a thoroughly discredited State Department the fate of every workingman and every industry and every investor in the United States. Mr. President, if any Senator has any fault to find with that statement or takes any exception to it, I shall be happy to have him debate it with me at some length.

I now submit the entire editorial from the Doylestown Daily Intelligencer for printing at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Doylestown (Pa.) Daily Intelligencer for March 29, 1951]

PHILADELPHIA AND THE TARIFF

Strange indeed is it to find the Philadelphia Bulletin preaching free-trade doctrines in the heart of the great industrial empire of southeastern Pennsylvania which owes its wealth to the American protective tariff.

How quickly the new generations forget the lessons of the past.

Protectionism made Philadelphia—at least, took it out of the slow tailspin it was in prior to the Civil War, and built it up during that war and during the reconstruction era into one of the major manufacturing centers of all the world.

And now a great newspaper that has benefited most conspicuously from the wealth which protectionism helped create in and around the City of Brotherhood Love, ridicules and belittles the foundations upon which its own and its community's prosperity were built.

The Bulletin editorial, which appeared a few days ago, was entitled "Skirts From England." It refers to the fact that British manufacturers are offering mail order business to American women through advertisements in our magazines. The offer is to sell skirts direct by mail for \$10 apiece. The point which gives the Bulletin concern is that when the mailman brings the skirt, he will collect an additional \$2.75 as custom duty.

Says the Bulletin:

"Here is a tax which American women pay which puts any 2 or 3 percent sales tax in the shade. It is not often the weight of this tariff duty on the American consumer is brought home so plainly. Usually it is hidden in the price paid at the stores. When women pay their \$2.75 they will know at first hand what is meant by a trade barrier and a tariff."

Now, let's look into this briefly.

The whole tenor of the British advertisement is that of offering a bargain. The ads speak of a "mere" \$10 plus duty. Some of them broadly intimate that the American equivalent of these skirts would cost at least \$25 apiece.

Assuming this to be the fact, which it quite likely is, then the Bulletin seems to be wasting its tears over the distress of American women who are thus able to buy \$25 skirts for \$12.75—but can't get them for \$10.

Now get to the 64-dollar question. Why is it that a skirt which, made in America, would sell for \$25, can be manufactured by the British to sell for \$12.75, tariff duty included?

Most of the difference in cost has to do with the standards of living of the workmen in England, as compared with his American counterpart. The Briton is working on a wage which is only a fraction as much as that of the American. The items of daily life which are considered necessities by the American—an automobile, all sorts of electrical equipment, etc.—are rare luxuries among the working classes in England.

And here's the point. Every skirt sold by mail out of the production of the British mills is one less sold from the output of American labor.

Carrying the Bulletin argument to its logical extreme, we would buy this country's skirts out of the cheaper British market, and let our own factories shut down—and our American garment workers go on relief.

Does that begin to bring out the amazing position which the Bulletin has taken in this matter?

Philadelphia is a major wool center. The products run into the millions in value, the employees far into the thousands. Whole square miles are occupied by the various types of woolen mills and associated industries, as a ride through northeast Philadelphia will quickly verify.

The Bulletin philosophy would put all these out of business—give the market to the British—and do so, not because the British are more efficient in this line of production (they are not) but because the British worker is willing to work for less money than the American, is content with lower living standards, and is no longer in a position to do anything about it, under socialist semidictatorship, even if he is discontented with his "austerity."

But the matter goes still one step further in its disturbing implications.

The difference in living standards between American and British workmen does not account for the whole difference in price between the \$25 American skirt and the \$10 British counterpart.

An additional reason why the American skirt is so costly is that, concealed in its price, are the extravagant American taxes, which are high among other reasons because so many American dollars have been diverted

to helping finance the British experience in socialism—direct loans, the Marshall plan, ECA, etc.

American prices are automatically driven up by high taxes, a principal share of the revenue of which is turned over to foreign competitors to help subsidize lower price on commodities sent to this country to compete with American production.

Moreover, the price-differential due to low foreign standards of living, and no longer equalized by protective tariffs, is not a phenomenon to be found solely in the field of stylish skirts for women. It covers a list as long as your arm. Glassware, shoes, dishes, watches—these are but a few of an extensive and growing number of articles where the American government has put American producers (and working people) behind the eight ball.

Sometime the day of reckoning will arrive.

TWO BASIC PHILOSOPHIES

Mr. MALONE. There are in this country two opposing philosophies of government, the second headed, of course, by the State Department, where it germinated. That is where it has put its roots down, with a subservient Congress carrying it along. There have been for generations two well-defined philosophies in the matter of our domestic production and foreign trade. There is no mystery or secret about the results of either.

One school of thought would maintain our economic structure, our wage and living standards, through an adjustable floor under wages and investments, for convenience called tariffs or import fees, based upon a fair and reasonable competitive principle.

The second school of thought has always held that our markets must be divided with all foreign countries through the removal of such a floor under wages and investments, and that direct competition must be established between the workers of this Nation and the workers of countries which have lower wage and living standards, resulting in leveling the standards of living.

Let us see what the effect would be. The State Department has from the beginning preached that by such action we shall raise to our standard the living standards of foreign nations, such as India, China, the 16 Marshall plan countries, and, in fact, all others. I have seen all these countries. The conclusion of the advocates of the second philosophy is that, as a result of the division of our wealth, and of the division of our markets, which are the basis of our national income, the wage and living standards of all the other nations of the world would be raised. The thought of dividing our markets with all the other nations of the world, 150,000,000 people as against nearly 2,250,000,000, reminds me of a man who might stand at the edge of a city reservoir with a glass of water in his hand, and who might say, "I think it is well that I average the level of the water in my water glass and the water in the city reservoir," and who, thereupon, empties his glass into the reservoir. His glass would be empty, but the effect on the reservoir would be imperceptible. That is exactly what would happen if we were ever to have a period of peace without an emergency. Can anyone remember a time when we did not have an emergency in this country? There have

been 18 years of emergency. We are praying for peace. Peace would wreck our economic system within a very short time.

The first philosophy I mentioned immediately establishes a market for the nations of the world, including this country, on a fair and reasonable competitive basis, and the objective is to maintain our standard of living, through tariffs and import fees based on that principle of a fair and reasonable competition, maintaining our standard while assisting other nations to raise theirs. It is not an overnight job.

WE CAN'T ALL BE RICH

When those espousing the second philosophy come into government, one would believe from their attitude that the reason for everyone not being rich is that no one ever thought of it; that all that is necessary is the printing of money which will result in everyone in this country being rich; that all that is necessary is the dividing of our markets with the nations of the world, and all the nations will live exactly as we do. The dream is wonderful. But we find, unfortunately, that the old-timers, who have met business payrolls, and who know what it is to run a business, to manufacture something, or to render professional service, to meet payrolls and rent bills, do not agree with that theory; and the unfortunate part is that when the theory is tried out, and when it finally falls flat, it is then too late.

THEORISTS RUN THE COUNTRY

We find these hand-raised economists, who have never run a business, and who could not run a business, occupying offices in the State Department and in the White House. Their theory is that the more one spends, the wealthier he becomes; that all we have to do is have an emergency, in order that the money may be taken from the taxpayers of America, and everyone will become rich almost immediately—everyone, that is, except the taxpayers. What seems to be given very little thought is that it would slowly drain the heart's blood of American business and industry, and destroy the working man's wages.

The second philosophy, that of the hand-raised economists in this administration, immediately puts the workers and investors of this Nation into direct competition with the sweatshop labor of the world, and it can only result in a leveling of our own standards. It has never been denied that "one economic world" is the objective.

THE MAIN NEED IS MARKETS

Now it is said, "Well, we do not write off the tariff entirely, we only lower the tariff, we give them the benefit of a market." That is one thing which they found out through the Marshall plan. The junior Senator from Nevada, on the Senate floor, explained that the possession of manufacturing equipment is not the objective. Anyone may construct a plant and get the credit with which to do it, if he has the markets. It is possession of the markets which must come first. Any industrial engineer in America will verify that, and the junior

Senator from Nevada wanted to that business during the last 15 years of his professional career.

When the basis of income is divided, there is then but one way to meet the situation. Either the workers in this country will remain unemployed, and the investment lost, or there will be a lowering of the wages and the winning of at enough of the investment to meet the competition. When we shall have finally used up the substance of this country—and how long that will take is a matter of conjecture—we shall be in a position similar to that of the man who has lived on not only his life's savings, but the credit based upon a character built up through a lifetime. How long does it take him to rebuild it?

UNFAIR IMPORT AND EXPORT

The substitute which I am today offering for the pending bill proposes two things. First, it proposes to establish a definite principle of fair and reasonable competition in the criterion of establishing a market in this country for the goods of foreign nations. It establishes fair and reasonable competition, not a barrier to keep the goods of other countries from entering the United States. The substitute does not mention high or low tariffs, but simply provides for a tariff structure ensuring fair and reasonable competition.

It seems to me that adoption of the proposal would mean that the United States of America was going a long way to establish a market for the goods of foreign nations on the basis of fair and reasonable competition. No laborer or farmer in the United States of America, no investor that I have ever seen, has ever complained when asked to compete on a fair and reasonable basis.

FOREIGN TRADE AUTHORITY

Second, Mr. President, the substitute establishes a foreign trade authority. All it would do would be to turn the Tariff Commission into a foreign trade authority, because that more nearly represents its functions. The Tariff Commission has had long experience. It knows its business. Of course persons can be appointed to the Tariff Commission who have a philosophy which would destroy the principle of the bill, but the present members know their business, and know how to arrive at a fair and reasonable competitive basis.

So there would be established an independent foreign trade authority to determine the tariffs and import fees on the basis of fair and reasonable competition, a principle laid down by Congress in the same manner as Congress long ago laid down the principle of a reasonable return on investments as a basis of determining freight rates of common carriers, and placed the Interstate Commerce Commission in complete charge of the matter. That action would return to the Congress the responsibility which the Constitution placed in the legislative branch of the Government, and it would take that duty away from an entirely irresponsible State Department.

I suppose that the distinguished Senator from Wisconsin, Mr. McCauley, who does me the honor to be listening to

what I have to say, will agree with that statement. What we are doing I will say to the distinguished Senator from Wisconsin, is simply extending for 1 year the authority over the working men and investors of this country in authority exercised by a thoroughly discredited State Department, an authority which it has been using to remake the economic map of this country. That is the bill which the Finance Committee has reported to the Senate. The amendment in the nature of a substitute which I have offered would operate in the same principle as the law which established the Interstate Commerce Commission. A fair principle would be established. There is no principle at this time.

FAIR IMPORTS AND EXPORTS

Mr. President, all established principles for the fixing of tariffs and import fees have been abandoned. For 15 years the tariff-and-import-fee system has been utilized in establishing a market for the goods of foreign nations, with a tariff or import fee representing the differential between the cost and productivity of an hour of American labor and an hour of foreign labor. The principle has been abandoned by the State Department in favor of the starry-eyed and horse-trading method of lowering tariffs and import fees beyond any fair and reasonable competitive position. For what? For some negotiation or financial advantage in some other field. The starry-eyed comes about through the effort to protect a particular product which someone happens to be interested in, or by releasing a certain industry to suffer especially. There is no principle whatever attached to it, someone has got money from someone else.

Farm products are protected by a subsidy. I am in favor of a subsidy when tariffs and import fees are removed or merely destroyed, but Mr. President, 10 to 15 percent of the farm products of the Nation do not need subsidies if they have a tariff or an import fee protection on the basis of fair and reasonable competition. Such protection is removed when surplus farm products from other nations are brought into this country not on a basis of fair and reasonable competition, but at lower prices.

Mr. President, I heard the debate with reference to potatoes coming in from Canada, and about buying cereals with which to burn them. It seemed to the discredit of the Department of Agriculture that it was burning potatoes. I thought the Agriculture Department was wrong in recommending the system in the first place instead of such tariffs as I am discussing, but I have noticed since I have been a Member of the Senate, during the past 4½ years, that it does not make much difference what the Secretary of Agriculture recommends, and it does not make any difference what the President recommends. The Senate of the United States had to vote on the question. If a bill does not pass, it does not become a law. That is something which we might remember when we blame the President, the Secretary of Agriculture, the Secretary of the Interior, or the Secretary of the Treasury.

They are working under laws passed by Congress, many of which have to be renewed at certain intervals. What do we do? I think we vote by vote.

THE NEW AGREEMENT

Much credit is being given the State Department for announcing that the International Trade Organization would not be pressed upon Congress, but little attention is being paid to the fact that chapter 4, the commercial policy chapter of the International Trade Organization charter, has been adopted with the general agreement on tariffs and trade, Under GATT, all the commercial policy aspects of the International Trade Organization have been adopted for which further congressional legislation is not absolutely required, and it is expected that legislation will be offered to complete the adoption of the commercial policy chapter of the International Trade Organization charter.

In that regard much has been made of the promise of the Secretary of State that he will not press the International Trade Organization. I want to read a paragraph from a release of the State Department of December 15, 1951, only 4 months ago, in which it is said:

As a result of this review the interested agencies have recommended and the President has agreed that while the proposed Charter for an International Trade Organization should not be recommended to the Congress—

The junior Senator from Nevada stated on the floor of the Senate less than a year ago that he could think supporting this recommendation as being in before the Senate. The reason why it did not come in the Senate floor was because they knew it would be defeated. So they say that the proposed Charter for an International Trade Organization should not be recommended to the Congress.

I read further from the press release:

Congress should be asked to consider legislation which will make essential participation in the General Agreement more effective. The many serious problems now facing our Congress and the legislatures of other countries require that we concentrate on the trade programs that are most urgently needed and will most quickly produce concrete results.

So, Mr. President, we shall be asked to push on legislation that will make all the GATT provisions effective. When that is done, I should like to have someone explain to me how far away we shall be from the International Trade Organization. Almost everything that has been done under the International Trade Organization, as proposed, will be done under GATT.

Mr. President, I will unanimously consent to have printed in the Record at this point the release by the Department of State No. 1281, dated December 4, 1951.

The PRESIDENTING OFFICER, Mr. SWANSON, in the chair. Without objection, it is so ordered.

The release is as follows:

Department of State.

December 4, 1951.

The governments participating in the General Agreement on Tariffs and Trade.

now meeting in Torquay, England, will shortly take up the question of the future administration of the agreement.

In anticipation of this discussion, the executive agencies of this Government have reviewed the status of legislation affecting American participation in the General Agreement. This includes the Reciprocal Trade Agreements Act, which is scheduled to expire on June 12, 1951, the proposals to simplify our customs laws and regulations, and the proposed charter for an international trade organization.

As a result of this review the interested agencies have recommended and the President has agreed, that while the proposed charter for an international trade organization should not be resubmitted to the Congress, Congress should be asked to consider legislation which will make American participation in the General Agreement more effective. The many serious problems now facing our Congress and the legislatures of other countries, require that we concentrate on the trade programs that are most urgently needed and will most quickly produce concrete results.

We must, of course, continue the Trade Agreements Act. This has become a fundamental part of our foreign policy. In addition, we should continue to build upon the trade-agreements program by developing machinery for the administration of the General Agreement so as to permit it to operate more continuously and effectively.

The General Agreement on Tariffs and Trade came into force provisionally on January 1, 1948. It is the first multination trade agreement concluded under the Trade Agreements Act. It is a landmark in the history of international commercial relations and represents the most constructive effort ever undertaken for the simultaneous reduction of trade barriers among the nations of the free world. Thirty-two governments are at present parties to the agreement and seven more are expected to join at the conclusion of the tariff negotiations now being conducted at Torquay, England.

The general agreement has achieved remarkable results. There has not, however, been any administrative machinery to permit continuing consultation among the participating countries on the problems that arise in interpreting and applying the agreement. This has been a serious handicap, since it has been difficult to handle matters of this kind solely through the semiannual sessions of the participants themselves. It is important that this handicap be removed promptly if the agreement is to do its full part in increasing trade among the free nations and in eliminating the commercial causes of international friction.

To meet the need for improved organization, the United States will suggest to the other governments concerned the creation of the necessary administrative machinery, including a small permanent staff. Appropriate legislative authority for this purpose will be sought in connection with renewal of the trade-agreements program.

Before United States participation in the general agreement can be made fully effective it will be necessary to simplify our customs laws and regulations in some respects. Certain provisions of the agreement cannot be applied until this has been done. The customs-simplification bill introduced in the Congress last spring would accomplish most of the needed improvements in the customs laws. Congressional action in this field will again be requested next year.

Mr. MALONE. The purpose of placing the release in the RECORD, Mr. President, is to bring forcibly to the attention of the Senate that the State Department is not yet through with legislation pro-

posed to make effective the General Agreement on Tariffs and Trade initiated in Geneva in 1947, and continued to this date. It is my understanding that at Torquay, the whole multilateral agreement was extended for 3 years.

PRESENT POLICY CONTINUED

There is an announced policy of the State Department, as well as of the President. That policy has been announced every few months during the last several years. We now have before us a bill which does not direct the President to do anything. I categorically say again that it does not direct the President to do anything. Therefore, who believes that there will be any change in the policy of the President of the United States and the State Department in relation to trade? It has been the announced policy to divide the markets of the United States with the foreign countries by fostering imports in order to make relief under the ECA and Marshall plan unnecessary. What does that mean? It simply means that our income is divided, so that we shall arrive at the point of having the same standard of living other countries have. It means that there will be no trade-balance deficit. What is a trade-balance deficit? It is just the same as the deficit of an individual who spends more money than he makes.

Mr. KEM. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. KEM. Does the Senator from Nevada look with favor on the proposal that the administration of the ECA be placed in the State Department under Mr. Acheson?

Mr. MALONE. I believe it will make little difference if the former Director of ECA, Mr. Hoffman, is placed at the head of the State Department, and Mr. Acheson is placed in charge of ECA. I think that could be done without a ripple being observed.

Mr. Hoffman has advocated the same things Mr. Acheson has advocated. Mr. Acheson and Mr. Hoffman were very close together in their views on international trade. If it were possible to do more to arm Russia, through the Marshall Plan countries, as well as arming Communist China, and giving those nations the materials necessary to consolidate their gains, Russia to consolidate her gains and Communist China and the iron curtain countries theirs, I do believe that Mr. Acheson might improve upon that situation. That would be by reason of his having more experience, Mr. President. Mr. Acheson has had a little more experience in giving things away, and arming our enemies, and making it impossible for us to do business in the world today, than Mr. Hoffman has had. But give Mr. Hoffman time, give him time.

THE ITO THROUGH THE BACK DOOR

At this point, Mr. President, I should like to discuss the back door entrance to the ITO through GATT. Do not forget "GATT." Senators are going to hear a great deal about GATT in the next year or so, because the State Department has given their promise not to bring up the

ITO. Their promise, of course, means nothing so far as I can see, because the issue will be evaded.

They have changed their international policy in the last 30 days. I see these changes coming about, although it is said there will be no change. So the junior Senator from Nevada does not believe they have had a change of heart either as to the Far East or in regard to ITO. They are simply going to reach their goal in another way, through kidding the American public. How long they can do that remains to be seen. But in reaching the ITO through the back door of GATT, Mr. President, the State Department in its release from which I have just quoted, number 1221, dated December 6, 1950, which will be found in the RECORD, announced that interested agencies have recommended, and the President has agreed, that the proposed charter for an international trade organization should not be resubmitted to the Congress.

Mr. President, I might say that ITO was here for two consecutive years at least as a must on the President's must list. The Senate has learned over a period of 16 to 18 years what a must list is, and we have been "musted" to the point where now just a suggestion has about the same effect as a demand.

This announcement seems like an amazing change of heart on the part of an administration which has assured the Congress for the last few years that the charter for an international trade organization was an integral part of the foreign economic policy of this Nation. That is what they said, Mr. President.

First, there was the 1934 Trade Agreements Act, under which the division of markets was initiated. Second, there was the Marshall plan, or ECA, which makes up the trade balance deficits of the 16 Marshall-plan countries, while we are dividing the markets of our Nation so there will be no further trade balance deficits. Then, Mr. President, there was the proposal of the International Trade Organization, which proposal was simply to put into the hands of 55 or 58 or 60 nations, whatever number should join the ITO, the handling of tariffs and other economic matters.

Our Nation was the key to the ITO. If we did not join the ITO there was nothing to divide, so there would be no ITO. Any other Nation could hold out, and there would yet be an ITO, but that was not true with respect to the United States. We are the only Nation that has any markets to divide.

SAN FRANCISCO CONFERENCE AN EXAMPLE

So, Mr. President, that is what they are after. That is what they were after in the San Francisco Conference in 1945, when the junior Senator from Nevada was an observer there representing the Senate Military Affairs Committee. The Senator from Nevada was not a Member of the Senate at that time. He observed that conference for 4 months. What did he find? At the end of the conference he was asked a question in an interview. The question was "What do you think of this great international conference?"

"Well," the junior Senator from Nevada said, "there were 50 nations there. The other 49 nations were there with market baskets on their arms, and there was only one nation there to put anything into those baskets." That ended the interview. But the result is as he then stated it would be. The International Trade Organization, composed of 55, or 58, or 60 nations, depending upon how many were to come into the organization, would, had we accepted it, put our tariffs through a series of manipulations and regulations, and the ITO would have had authority over allocation and production entirely. We would have been a part of the organization, but a very small part of it, because each nation would have only one vote.

What are we doing now? We are going into the ITO through the back door, using GATT as the door. Every piece of legislation coming to Congress from now on with relation to foreign trade will be a step toward the International Trade Organization; but it will not be called ITO.

Mr. Thorp and Mr. Acheson and others have said repeatedly before committees that each of the three things mentioned earlier were an integral part of the plan for world recovery. Everyone recovers but us. We are the ones who pay the bill. The mere fact that other nations were nearly 100-percent recovered—from 95 to 98 percent recovered—when we initiated the Marshall plan seems to have very little to do with it. Within a year the natural recovery would have been well over 100 percent. That was not the goal. The goal was the leveling of the living standards of the world, including our own.

Does this announcement regarding the ITO mean that the State Department has given up its plans for "one economic world"? Let us look at the facts. The press release mentioned that instead of continuing agitation for the passage of legislation allowing ratification of the charter for the ITO, the State Department will seek further extension of the 1934 Trade Agreements Act. That is what is before us today, Mr. President, with certain new amendments. Also an effort will be made to have the new Customs Simplification Act passed by the Congress. The Customs Simplification Act is another subterfuge. It is time for the Senate to scrutinize all the proposed simplification acts and other acts allegedly for the benefit of the United States, and every move by the thoroughly discredited State Department.

What this really means is that the State Department has decided that the opposition to the International Trade Organization is so strong that it must find some other way to bring about free trade. Thus, instead of asking the Congress to approve or disapprove the Charter of the International Trade Organization, the State Department will try to extend the 1934 Trade Agreements Act with certain amendments which would put a large part of the ITO Charter into operation without asking the advice and consent of the Senate.

SENATE OUGHT TO RATIFY TRADE AGREEMENTS

Mr. President, it seems to the junior Senator from Nevada that the least the Finance Committee could do would be to amend the bill so as to make trade treaties treaties in fact, subject to approval by two-thirds of the Members of this august body. It has been so long since a treaty requiring a two-thirds vote has been submitted to the Senate, that I suppose the school children of the country have forgotten that there is any such a thing as a requirement that a treaty be ratified by a two-thirds vote of the Senate.

Some of the smart, hand-raised economists in the State Department do not understand the realities of the situation. Make no mistake about it; they are smart. All they lack is an anchor. All they lack is experience to tie what they know to the realities. But let no one suppose that they are not smart. Unless one understands what he is talking about, he had better not try to argue with one of them on theory.

They do not understand that there is reality to this question, a hard side to it. However, they do understand how to draft legislation, how to wet down the Congress and allay the fears of the Senate when they come before a Senate committee. The Secretary of State testified that he had no intention of bringing up the International Trade Organization. Was not that a great statement? It looked like a great surrender to a fine Senate committee. However, it was only the same old story in different words. It was not a surrender. It was going in the back door.

Another phase of the State Department's plan to circumvent a ratification of the ITO charter is the proposal to simplify the customs laws and regulations. A portion of the press release which I quoted says that before United States participation in the general agreement can be made fully effective it will be necessary to simplify our customs laws and regulations in some respects.

Mr. President, what are the "respects"? Certain provisions of the GATT cannot be implemented until this has been done. The customs-simplification bill introduced in the Congress last spring would accomplish most of the needed improvements in the customs laws. Thus we see that the State Department has found a way to avoid asking the Senate for advice and consent in making a treaty. Two simple procedures can bring about almost the same result. A change in the customs laws is necessary to make GATT—the General Agreement on Tariffs and Trade—more effective. This more effective GATT is made permanent and stronger by a change in some of the administrative procedures and the establishment of a permanent staff.

I am bringing this matter before the Congress at this time to serve as a warning of the devious ways in which the administration plans to hoodwink the Congress after the elections have shown that the people are becoming increasingly aware of the fact that the State

Department and the President have been using every means at their command to bring about free trade and one economic world.

Mr. President, how plain does an administration have to make it to the Senate that its objective is one economic world? When we spend more than we earn it is called deficit financing, and we make up the deficit through any subterfuge we can thrust through a trusting Congress, and which Congress can convince a trusting people is necessary.

I hope it is not necessary to review the things which have been done. Everything is new as it comes along. Everything will solve all our problems. First we had lend-lease. Then we had UNRRA. Then we made a loan—perhaps it was a gift loan—of \$3,750,000,000 to England.

Those who knew the truth in Europe and elsewhere knew that at first there was no intention of giving money to any other nation besides Great Britain. But we were advised that unless other nations were taken in under the cover it would probably be very difficult to get through another loan of several billion dollars to the British Empire.

MARSHALL PLAN WAS AN INNOCUOUS PARAGRAPH

So Mr. Marshall—the same Mr. Marshall who had trouble in remembering critical things at the Pearl Harbor investigation, and at a recent investigation—had a certain paragraph in his speech at Harvard. I doubt to this day if Marshall knew what was in his speech. It was only a small paragraph. However, there had been a great many conversations with representatives of the British Empire up to that point. When the newspapers headlined the subject the next morning Mr. Bevan—the same Mr. Bevan whom I described a while ago as wanting to borrow our gold to bolster their economy—took the ball on the first bounce and in 30 days told the Congress of the United States what it was going to cost us. He did not miss it by much. It was \$17,000,000,000 for 5 years. Added to what we had already given in outright gifts to the world up to that point, since World War II, it amounted to about \$37,000,000,000 or \$38,000,000,000—a little more than—if you like comparisons, Mr. President—the total valuation for tax purposes of the 11 Western States, including California, Oregon, and Washington, and 14 Southern States, including Texas. That is how much it amounted to. Congress took it in its stride. The cushions here are soft, and the air is conditioned. Spending a billion dollars is a matter of only a few minutes' work. Seventeen billion dollars took us only a week. Unusual delay, Mr. President. Since that time it has taken less time.

HOW TO GET AROUND OPPOSITION TO ITO

Mr. President, it has become clear that the change in Congress would make it difficult to allow ratification of the charter for the ITO. Therefore this means was devised of getting around the opposition.

Let us take a closer look at the GATT and the ITO. The heart of the Inter-

national Trade Organization charter is chapter IV, entitled "Commercial Policy." That is what international trade agreements deal with principally. In all essentials the chapter is identical with the text of the Geneva Agreement on Tariffs and Trade.

What is GATT? In the hearings before the Senate Finance Committee entitled "Extension of Reciprocal Trade Agreements Act," on H. R. 1212, held in February 1949, part I, pages 60-151, we find a comparison between the relevant clauses of the GATT and the ITO Charter. It is an illuminating document, and I warmly recommend the hearings for the Senate's attention and study.

The 1934 Trade Agreements Act, as interpreted by the State Department, has allowed the United States to lead the way to the formation of GATT, which puts into operation the most important provisions of the ITO.

The Customs Simplification Act would allow freer entry of commodities and would make the importation of low-cost, competitive imports even easier.

In other words, Mr. President, the administration wants to simplify the customs law, so there would be no delay at customs, or so it sounds.

Mr. President, the simplification of our laws will bear watching if proposed by the State Department.

A closer look at the Customs Simplification Act shows that the act is not exactly what its title implies. At this point I wish to say that very little legislation which has been proposed in Congress in the 4½-year period during which I have been a Member of this august body turns out upon examination to be what it appears to be. Most of the legislation is full of sleepers. There is at least one sleeper, and probably more. Usually the legislation is introduced to carry out the objective of the department which is proposing the legislation. Such an objective may have nothing whatever to do with the title. In other words, the objective of the bill may have nothing to do with the objective as announced in the title of the bill.

It is only fair to make the administration of our customs laws simpler. We are all in favor of it, if it can be done. I believe few persons would argue that the elimination of excess red tape is not a worth-while endeavor. However, under the innocuous title of "Customs Simplification" we find some provisions which go far beyond mere simplification.

Without going into detail, I do wish to point to a few facts in the Customs Simplification Act which shows that the bill would do more than just simplify.

The Antidumping Act is amended as the material injury to a domestic industry or material retarding of the establishment of a new industry in the United States must be in evidence before the Secretary of the Treasury will declare the existence of dumping. No judgment can be exercised. Mr. President, by this device the administration gives its blessing to dumping, which is the selling of foreign goods far below the actual cost of production.

Moreover, any antidumping duty imposed on dumped goods in consequence

of a declaration of the Secretary of the Treasury is reduced by the amount of any countervailing duties in effect.

Countervailing duties, it may be recalled, are imposed on imported goods produced with the help of grants or a bounty. What does it mean? It means that the administration severely reduces a penalty which is imposed on goods which are imported at artificially low prices.

Why am I going into these provisions? I am going into them because the Senate for the 4½ years during which the Senator from Nevada has been a Member of the Senate has had a habit of taking everything as a separate bill, as a separate objective, with no connection whatever with what has gone before or what may come in the future. That is why the junior Senator from Nevada previously pointed out six principles or six different methods of approach to wreck the economic system of the United States. Mr. President, you have to watch all the gates when you are dealing with a department of this Government.

2. The administration also seeks to amend the law which provides for the imposition of countervailing duties by requiring material injury to a domestic industry, or material retarding of the establishment of a new industry. The upshot of these amendments is that the administration feels that the payment of one penalty, even in the case of an offense covering both dumping goods and selling goods subsidized, is sufficient. Thus, dumping and selling subsidized foreign goods in the United States is practically legalized, except for material injury to a domestic industry. How material the injury must be is not defined.

Mr. President, I should like to ask how many Members of the Senate knew that these provisions were included in a customs simplification bill? One would naturally visualize the cutting of some red tape, so that it would not be necessary to do so much paper work or look up so many regulations. In other words, one would think that the Customs Simplification Act would speed up the entry into this country of any product which is entitled to come in, but not destroy the safeguards around American working men and American investors. I say it is time we started reading these bills.

Thus, Mr. President, dumping and selling foreign-subsidized goods in the United States is practically legalized, except in cases of material injury to a domestic industry. How material the injury must be is not defined; that is left to one of the hand-raised economists or one of the administration's stalwarts, who holds his job, in most cases, at least, not because of his qualifications, but because of some inside way of getting the job. I think the distinguished Senator from Wisconsin has described that method several times.

Section 3 of the Customs Simplification Act amends the requirement that all imported goods bear labels giving the name of the maker and the country of origin.

Mr. LANGER. Mr. President, will the Senator yield for a question?

Mr. MALONE. I am glad to yield.

Mr. LANGER. I am interested in the Senator's opinion of the amendment dealing with fur-bearing animals, offered last year by the Senator from Wisconsin. Will the Senator give us his opinion of it?

Mr. MALONE. I am happy to do so. I believe that amendment constitutes the only possible relief from a free-trade administration that is utterly destroying the economy of the United States, except when it can use new taxpayers' money from the Treasury, thus continually increasing the public debt and increasing the taxes in its efforts to get money with which to pay subsidies and to let large contracts so as to keep our employment and our economy afloat. I say that the amendment of the Senator from Wisconsin is the only possible relief; but if the flexible-import-fee principle were adopted on the basis of fair and reasonable competition, I feel that the distinguished Senator from Wisconsin would be the first to say that the adoption of his amendment would not be necessary.

Mr. McCARTHY. Mr. President, will the Senator yield.

Mr. MALONE. I am glad to yield.

Mr. McCARTHY. For the information of the very distinguished senior Senator from North Dakota, let me say that I intend to submit the amendment again this year, and I hope it will be adopted.

Mr. LANGER. Mr. President, will the Senator yield for a question?

Mr. MALONE. I am glad to yield.

Mr. LANGER. I should like to ask the distinguished Senator from Wisconsin whether it is true that the fur-raising industry of the United States is practically wrecked by the importation from Russia of animal skins.

Mr. McCARTHY. Unquestionably that is true, and that situation is much more serious than many of my colleagues realize. I am very much concerned about it.

I may state that an increased number of farmers are making a substantial part of their income by means of the production of ranch-raised furs. They were doing rather well until Russia began dumping her furs into the United States.

We also know that the income from Russian furs which are dumped in the United States furnishes a major part of the funds used to finance Russian espionage work in this country. There can be no question about that.

As the Senator knows, shortly after I submitted my amendment the first time, the FBI arrested six men who were working in Amtorg, the Russian trading company which has been dumping Russian furs in the United States. At that time it developed beyond any dispute that they were using the money to purchase, for example, Gieger counters and many other instruments which they could not clear through our regular export licensing channels. In that way they were smuggling those instruments out of the United States. It also developed that they were using considerable parts of the funds thus obtained to finance their espionage work in the United States.

As the Senator knows, at that time the Senate adopted the amendment. However, the House of Representatives

had not adopted it, and the State Department did a very effective job of lobbying, and succeeded in getting the conferees to knock out the amendment.

Since that time, I think the Senate and the House may have gotten a better picture of the situation; and I hope that this year, when the Senate adopts the amendment, the conferees will abide by the vote of the Senate on the amendment, and will finally, at long last, permit us to have, first some relief for a great segment of our farming population and, second, will deal, not a death blow, but at least a rather heavy blow to the Communist conspiracy in the United States, by cutting off its funds.

Mr. MALONE. Mr. President, I am very glad that the distinguished Senator from Wisconsin has brought up that matter at this time.

I would say to him, for the RECORD—although of course I believe he is fully familiar with the fact, if we could re-establish a principle so that any farm products which were imported would be imported on a basis of fair and reasonable competition, from 80 to 85 percent of the farm products would not need a tariff. However, until that time and until the country comes to its senses—Mr. President, I should apologize for making that statement, for the country has come to its senses. The resolutions coming to us from labor, which I have read, and the resolution coming from the Farm Bureau in my State, which I am about to read in the course of these remarks, and what I hear when I go home and when I go to other States of the Union proves to me, that the country is at least 2 or 3 years ahead of the Senate of the United States. The country has realized the utter futility of the present free-trade program which destroys American industries and also would lower the standard of living in a futile effort to preserve our industries, after really destroying them.

However, judging by the unanimous vote on the part of the Finance Committee, it has not yet caught up with the Senate, and of course is a long way behind the people of the country. I am in hopes that the members of that committee will have an opportunity to go home this summer—unless there is another emergency or some other police action—so that at that time they can obtain at least some idea of how far ahead of them the country is, and then will get their feet on the ground in regard to some of these matters.

Mr. MCCARTHY. Mr. President, will the Senator yield?

Mr. MALONE. I am glad to yield.

Mr. MCCARTHY. Let me say that I think this measure is infinitely better than the one we passed last year. However, it contains one provision which gives me considerable concern, and I think it will interest the able senior Senator from North Dakota [Mr. LANGER]. I refer to a provision to the effect that if the Senate Finance Committee or the House Ways and Means Committee finds that a certain industry is being wrecked because of unusual tariff concessions, either of those committees may require a hearing by the Tariff Commis-

sion. As the senior Senator from North Dakota pointed out the other day, one such hearing has been pending for some 13 years before the Tariff Commission.

Mr. LANGER. I beg the Senator's pardon; the hearing has been pending before the Federal Trade Commission.

Mr. MCCARTHY. I beg the Senator's pardon.

I wonder whether this provision would be strengthened considerably by including in it words to the effect that after the Finance Committee or the Ways and Means Committee refers the problem of a certain industry to the Tariff Commission, if the Commission does not act within a reasonable period of time—for instance, let us say, within 6 months or a year—at the end of that period, if no action has been taken, the tariff will revert to what it was prior to the making of the agreement which caused the difficulty.

What does the Senator think about that?

Mr. MALONE. I believe it would be a good provision. However, I wish to say again, as I have said to the Senate at least four or five times either today or yesterday—and I make this statement categorically—that there is nothing in this measure which directs the President to do anything.

I have several amendments to offer, and I hope the Senate will adopt them, because in that case the President will be directed to do these things.

However, I say again, so as to keep the record straight, that many inaccurate statements are made to the effect that this measure requires the President to do certain things. The actual fact is that the bill as now constituted would not require the President to do anything which he does not choose to do.

I make that statement categorically; and if any Senator wishes to debate it, I hope he will do so before the vote is taken.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. LANGER. I ask unanimous consent that I may submit certain matters for the RECORD or the Appendix, for 5 or 6 minutes, without causing the distinguished Senator from Nevada to lose the floor.

Mr. MALONE. I shall be glad to yield for that purpose, with that understanding.

Mr. GEORGE. I do not wish to be captious or to raise objections unnecessarily. I, of course, shall have no objection to the insertion of matters in the RECORD, but I do not think that one speech should be interrupted by another.

Mr. LANGER. I will take but 5 or 6 minutes.

Mr. GEORGE. I understand that, but we shall never finish consideration of the pending bill, if this practice is permitted to continue. At this time I raise no objection, but I serve notice now that I shall object hereafter to extraneous matters being brought before the Senate. In this case, however, I raise no objection.

Mr. LANGER. I thank the distinguished Senator.

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Dakota? The Chair hears none, and it is so ordered.

(At this point Mr. MALONE yielded to Mr. LANGER, who submitted Senate resolution 142 and various matters for the Appendix and the body of the RECORD, which appear elsewhere under the appropriate headings. Mr. MALONE also yielded to Mr. MAGNUSON to address questions to Mr. GEORGE regarding the pending bill, which appear at the conclusion of the speech of Mr. MALONE.)

1949 AMENDMENTS REJECTED

Mr. MALONE. Mr. President, in line with the inquiry of the Senator from Wisconsin and the senior Senator from North Dakota as to the application of amendments proposed 2 years ago to protect against the importation of certain furs and other materials, I recall at least three amendments which had been offered. One of them was offered by the distinguished Senator from Wisconsin to protect furs through a system of quotas, I believe. If that is an incorrect statement, I shall be glad to correct it. There was at least one amendment offered by the distinguished senior Senator from Nebraska [Mr. BUTLER] dealing with agricultural products. One of the principal amendments offered at the time of the consideration of the last extension of the act, and which I understand may be offered again this year, was one dealing with the quota on oil imports, with which I heartily agreed. I had predicted a glut of oil imports at least a year before the bill came before the Senate, in 1949, for an extension of 3 years, but making it retroactive so that the President would not have to adhere to the peril-point procedure. The Senate never did find out by how much the President exceeded the peril-point recommendations of the Tariff Commission during the negotiations at Annecy, France.

In 1948, in a radio address to a number of West Virginia people, I predicted that imports of oil from the Middle East and other sources could conceivably close down a large number of oil-producing wells and coal mines which furnish fuel a considerable distance from the source for generating steam power and for manufacturing and industrial purposes, because fuel could be imported into this country for estimated figures of \$1.70 or \$1.80 a barrel. The distinguished Senator from Texas [Mr. CONNALLY] offered an amendment with relation to quotas on oil imports, which would have been entirely unnecessary under a tariff system with fair and reasonable competition as a basis.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. LANGER. Is not the Senator from Nevada forgetting other important amendments, for example, an amendment dealing with mercury? We were entirely dependent upon Spain and Portugal for mercury.

Mr. MALONE. That is correct.

Mr. LANGER. At the same time, every mercury mine in the United States,

including one in which former President Hoover was interested, was closed.

Mr. MALONE. That is correct.

Mr. LANGER. There was also an amendment with reference to manganese. There is manganese in Arizona, New Mexico, and some other States—

Mr. MALONE. Including Nevada.

Mr. LANGER. But we are almost totally dependent upon the Far East for manganese. Does the Senator remember the discussion?

Mr. MALONE. The junior Senator from Nevada does remember the additional amendments.

Mr. LANGER. There was also the matter of tungsten, which we used to get from China. There was some tungsten discovered in Idaho which took care of the situation for a short time during World War II. As a matter of fact, this country is today totally dependent upon other countries for this very strategic and necessary metal.

I am sure the Senator remembers the other metals which were discussed so ably by the junior Senator from Colorado [Mr. MILLIKIN]. He went into detail with respect to one mining product after another, which, through deals made by the State Department, were coming in from other countries, with the result that our industries were lagging and American labor was not being employed.

That is typical of what happened in World War II, when President Roosevelt stopped production of gold in Colorado, keeping 2,000 men out of employment, while at the same time gold was being shipped into this country from Canada.

When the Senator from Nevada mentioned oil and one or two other products, I am sure he forgot that we tried to amend a measure similar to the one now pending so as to take care of the mining industry of the United States. I hope the Senator will take some time to dwell upon the mining situation, with which he is perhaps as familiar as is any other Senator on the floor, coming, as he does, from the State of Nevada.

Mr. MALONE. I thank the Senator. I do recall the amendments to which reference has been made. I mentioned oil only as an example. I am glad the Senator has seen fit to mention other products and other amendments. Such amendments would have been unnecessary if we had had a tariff and import fee system established on a principle, not on a policy such as the State Department has pursued during the past 18 years.

Mr. LANGER. Mr. President, will the Senator yield for another question?

Mr. MALONE. I yield.

Mr. LANGER. Does the Senator remember that the testimony showed that as to mercury, during the war, a flask cost \$205, but that after the war was over, mercury was permitted to come in at \$85 a flask? As soon as the American mines were closed the price of mercury shot right up again, and millions of American dollars went to other countries, while the producers in this country were closed down entirely.

THE WHOLE CONCEPT OF TRADE AGREEMENTS
WRONG

Mr. MALONE. Mr. President, the junior Senator from Nevada remembers

those things only too well. That is one of the reasons, I will say to the distinguished senior Senator from North Dakota, why I am in the Senate today. Eighteen years ago, when the 1934 Trade Agreements Act was passed, its announced objective was fallacious. It was the beginning of the destruction of a long-range policy and a sound principle of building up the standard of living in this Nation above the standards of living in other nations of the world. I made up my mind at that time that the new policy was wrong. I certainly tried to gather industrial information, on its effects. This was available in the field, where businessmen and miners operate 3,000 miles away from the capital in Washington, which is a long distance, especially when we consider the way in which Washington is now being run, mostly controlled, I am sorry to say, from foreign sources. There is no question in my mind that we are following a British policy, supporting the British colonial system, and our free-trade system has a great deal to do with supporting it.

EXTENSION OF TRADE AGREEMENTS ACT IS SURPRISING

Mr. President, the junior Senator from Nevada was astounded when H. R. 1612 was reported to the Senate. It seemed impossible that the Trade Agreements Act, should be extended after all the testimony involving the precision-instrument industry, the crockery industry, and almost every other industry except, perhaps, the automobile industry, heavy machinery, farm machinery, heavy road machinery, and certain other types of machinery and intricate fabricated goods which producers are not yet able to manufacture in foreign countries even with the lower wages that are paid there. Emphasis should be put on the words "not yet." But I will say to the distinguished Senator from North Dakota that if foreign producers are given 5 years it will be found that automobiles, heavy machinery, and other materials will be manufactured there and shipped to America in competition with the products manufactured here by high-standard-of-living labor and with the money of investors of this country.

It is only 3 years ago that a British or other European concerning making generators could underbid us by \$250,000 on a generator costing \$500,000 or \$600,000. Such things are going on all the time. They are going on with respect to a half-a-million-dollar generator, and Diesel engines, down to a dress such as that described in the advertisement which was read into the Record today by the junior Senator from Nevada from a national magazine. Nothing is being overlooked. What is there foreign nations cannot do? The Ford organization has established itself in Europe. General Motors has established itself there. Typewriter companies are going to Scotland and Japan.

FREE IMPORTS OF GOODS ARE LIKE FREE IMMIGRATION

I ask Senators to look at the chart which appears in the back of the Senate Chamber, and then I ask them how they

can vote to put into our country the products of sweatshop labor of Japan, at 12 cents an hour, that of France at 21 cents an hour, the low rates of wages paid in all other countries, with the exception of Canada.

Labor in the other countries is paid practically nothing by comparison with what is paid labor in this country. They have nothing that we call decent working conditions. Anyone who can vote to permit the entry of products manufactured by such low-paid labor would have to be in favor of free immigration, because there is no difference between the importation of the products of cheap labor and the importation of the labor itself. If any Senator would like to debate that question I should be very happy to go into it in more detail.

Mr. LANGER. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MONROE in the chair). Does the Senator from Nevada yield to the Senator from North Dakota?

Mr. MALONE. I yield.

Mr. LANGER. Is not all the Senator has mentioned, and much more, of a perfect pattern with what we have seen happening during the past 20 years? Our Government has sent billions upon billions of dollars to foreign countries, for example, to build roads. One was a road through Canada, the Alcan Highway. Not only did we build it, but we even agreed to maintain it for 5 years after the war. Is it not true that in Austria, and in one foreign country after another, we have built thousands and thousands of miles of highway? Is it not true that in Austria, for example, our Government has built beautiful homes and apartment houses at the very time when our veterans cannot find homes for themselves in this country? Is it not true that in one year our Government shipped 34,000 boxcars to England and France, at a time when our own farmers could not ship their own grain to market by reason of the shortage of boxcars? Is it not true that our Government began to build a road to South America, and that after the building had proceeded as far as it could proceed, some of the machinery, almost new, was dumped?

Have we not had one illustration after another of the pattern being followed of wasting American taxpayers' money in behalf of the peoples of other countries, at a time when an investigation by a House committee disclosed that it will require \$15,000,000,000 merely to take care of the highways of the United States over a 5-year period; that it is going to require \$5,000,000,000 to develop our health program in this country for the next 5 years; at the very time we are having a terrific housing shortage of our own? Is it not all a part of one pattern, whether it be called the point 4 program, the ECA program, the Marshall plan program? In the last analysis does it not all simmer down to the fact that we, with 7 percent of the world's population are trying to take care of the remaining 93 percent of the world's population scattered all over the earth, even though in this country there

are vast numbers of families trying to exist on \$2,000 a year? Is not that a condition we should wipe out in America? And is not action on the bill now pending before us at least the taking of one step in the right direction?

THE COUNTRY IS RETURNING TO SANITY

Mr. MALONE. I should like to say to the Senator from North Dakota that there are signs of returning sanity in this country. The signs are more prevalent out where the people themselves are. There are very few of those signs in Washington, D. C. Washington is made up of people who work for the Government of the United States, or of people who work for people who work for the Government, or of people who sell something to those who work for the Government. Then there are 80 or 90 ambassadors, ministers, and consuls here, very fine, wonderful people, but they are here for one purpose, which is to get something for their countries. That, however, is not their fault. They have been encouraged to believe that the United States Treasury is a bottomless pit.

With respect to some of the matters mentioned by the distinguished Senator from North Dakota, such as the building of Austrian roads, he is probably better informed than is the junior Senator from Nevada. Wherever the junior Senator from Nevada has been, however, the policy as stated by the Senator from North Dakota has obtained.

UNITED STATES AID IN ACTION

The junior Senator from Nevada went to Central America and saw the full length of the Central American road. It is true that the United States is putting up the money to build that road. The Senate Committee on Public Works made a trip there to find out what was happening to the money. We found that we had some very good men down there. The specialists working in connection with the point 4 program, which the Senator mentioned, are just beginning to swarm in.

UNITED STATES IS THE BEST TAX COLLECTOR

The Central American countries have no tax system at all. The people in those countries who have money will not pay taxes. The people in those countries who do not have money cannot pay taxes. So if roads are to be built, the money must come from some place else. The United States has the only perfect taxing system in the world, so it is the only source of ready money.

UNITED STATES SENDS SPECIALISTS ALL OVER AT OUR EXPENSE

The United States State Department is responsible for planting in the foreign nations the seed of the belief that all they have to do is to ask and they shall receive. Therefore, it was of much interest to the junior Senator from Nevada to find out, for example, what the situation was in Honduras. The President of Honduras is a very fine man. We had there an agricultural specialist and a health specialist, and about 30 other specialists paid through different funds. Specialists were beginning to come there under the point 4 program. After we had discussed the matter with the Presi-

dent for a little time, the junior Senator from Nevada said to the President, "Would it not be possible for you to take over these specialists?" Most of them are down there, because they cannot make a living in this country at the business they are teaching, at least not in competition with other engineers and specialists whom I know. I put the proposition to him the hard way.

So I said to the President of Honduras, "Would it be possible for you to take these men? If you want a road specialist, take him over on your payroll. Borrow him from the United States Government, just as the State of Nevada or the State of North Dakota might do, and pay his salary. He would be temporarily released."

He replied, "Yes, that would be perfectly possible."

The junior Senator from Nevada asked, "Why is it not done?" The President of Honduras replied that no one had ever asked him. That seemed to settle that question. The administration probably never even thought of that. All we do is to send men, materials, and money.

Mr. President, I wish to discuss the question of minerals, which the distinguished Senator from North Dakota [Mr. LANGER] brought up.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. LANGER. As a preliminary to my question, let me say that North Dakota is not particularly interested in mining, except from the standpoint of coal. Is it not true that in the Senator's campaign in Nevada he defeated his Democratic opponent primarily upon the basis of the development of the mining industry in the Senator's State and neighboring States?

Mr. MALONE. I will say to the distinguished Senator from North Dakota that it was not exactly based upon the development of the mining industry. We have other industries, such as the chemical industry, the livestock and farming industry, and many others. Our industrial picture is pretty well rounded out. The issue was on the general principle of development of the United States of America, and Nevada going right along with it.

NO PROMISES

Since the distinguished Senator from North Dakota has brought up the matter of the campaign, it may be well to point out that the junior Senator from Nevada did not make any promises. Several times during the course of the campaign he said that he did not have the answers to all economic problems. The difficulty in this country is being caused by men who have had some experience, by men who know something about the economics of the country and who are searching for approaches to the proper answers. In business a man goes to his office every day and plans his work for the day, for the week, for the month, and if possible, for the year. He is never able to get too far ahead. He must continue planning every day. However, he is trying to approach the right answers. The harm is not done

by men who have experience and who are trying to approximate the right answers. The harm is being done by men who come up with all the answers, and who do not even know the problems. Then when other problems are created by the answers to the problem in sight, the theorists guess at the answers. We have gone so far afield in many of our policies that if peace should ever prevail in this country, the destruction of our economic system would be almost inevitable.

CONSULTANT TO MILITARY AFFAIRS COMMITTEE

The distinguished Senator from North Dakota [Mr. LANGER] mentioned tungsten and mercury. During the war the junior Senator from Nevada was a special consultant to the Senate Military Affairs Committee, in connection with the question of strategic minerals, and also in connection with the examination of military establishments. The Senator from Nevada made a report, which no doubt is still available. That report was submitted to the Senate. The junior Senator from Nevada wrote the report, as a matter of fact. No doubt it is still available to the committee, and it is just as good today as it ever was.

PRICE RISE CAN YIELD PRODUCTION

The junior Senator from Nevada pointed out that if we were to raise the price of tungsten and mercury in this country by a very small amount in the aggregate, we could become almost self-sufficient in the production of tungsten and mercury. Luckily the War Production Board had authority to make such an increase. It listened to the committee. It raised the price of tungsten from about \$17 a unit to about \$28. In 6 months we were practically self-sufficient in the production of tungsten in this country. The same situation was true with respect to mercury.

The distinguished Senator from North Dakota is exactly correct in his statement that a flask of mercury sold at approximately \$200, and that we were practically self-sufficient in the production of mercury.

When the war was over, the mines in this country were closed by the simple expedient of dropping the foreign price of mercury, which was selling under the market, and reducing the tariff on import fee.

Mr. LANGER. Mr. President, will the Senator yield for a question?

Mr. MALONE. I yield.

Mr. LANGER. Is it not true that American citizens had invested many millions of dollars in equipping mercury mines, and that some of them have now been closed for 2 or 3 years because the Department of State permitted foreign mercury to come in? In time of war, the price of mercury will shoot up, and we shall have to pay Spain, Portugal, or any other country which produces it whatever price is asked. It will require perhaps a year to get our mercury mines into operation again.

FREE TRADE CLOSED MINES

Mr. MALONE. That is exactly true. While we were practically self-sufficient

at the peak of World War II, conditions which were brought about almost exactly as the senior Senator from North Dakota has described closed the mines. For example, the State Department made a deal—one of its famous trade agreements, an agreement to lower tariffs—lowering the tariff on tungsten from 50 cents a pound to 38 cents a pound. That closed every tungsten mine in the United States except one. It hung on for a while, but finally closed.

In conversation with one of the State Department officials, the junior Senator from Nevada stated that by reducing the duty the Department had closed the mines. It was just that simple. The \$9, \$10, or \$11 a day paid to the miners here eliminated the chance to compete with tungsten produced with the 40 or 50 cents a day miners in Burma or China.

The State Department official said, "We did not lower the tariff very much." The junior Senator from Nevada said, "No; that is true. But if you take a blow-torch and cut a couple of feet off the end of the Potomac River bridge, you do not cut very much off the bridge, but you have no bridge." He went away muttering to himself. I never did understand what he thought about the question. However, the tariff was never raised.

Mr. WELKER. Mr. President, will the Senator yield?

Mr. MALONE. I am delighted to yield to the distinguished Senator from Idaho.

Mr. WELKER. Does the Senator from Nevada recall that on page 1360, volume 2, of the Senate committee hearings, there is a list of American businessmen or producers who support the trade-agreements extension?

Mr. MALONE. I do not recall the page, but I remember that there is such a list.

Mr. WELKER. There is a list of approximately 34 of them.

I read with interest yesterday the press release of the distinguished junior Senator from Nevada to the effect that those who favor the extension represent what we call big business. Will the junior Senator from Nevada enlighten the junior Senator from Idaho upon his conclusions in that respect?

SMALL BUSINESS AND BIG BUSINESS

Mr. MALONE. I shall be very happy to explain what I mean by that statement.

The junior Senator from Idaho will remember that for several years we have had in the Senate a small-business committee. I believe it has been in existence during the entire period the junior Senator from Nevada has served in the Senate. This committee is very active. It holds hearings. It goes to various places, meets a great many people, and collects a great deal of information. As a matter of fact, I suppose it has as much information on business as has any other committee in the Senate.

BIG AND SMALL BUSINESS DEFINED

The question arises as to what is small business and what is big business. Finally the conversation fades out, because no one has a definition. The junior Senator from Nevada defined big

business; and still cannot think of a better definition. It is a business—either an individual, a corporation, or a partnership—which is big enough and of such a nature that it can install plants in the foreign low-wage countries and take advantage of the markets in those areas, and also ship the product back here under free trade.

A small business is a business either not large enough or of such a nature that it is impossible for it to install foreign plants and to control any type of foreign manufacturing or production, paying low wages in competition with wages in this country. That is the explanation which the junior Senator from Nevada makes. The United States Chamber of Commerce and the National Association of Manufacturers are guided by men who, in general, can do just what I have described. In other words, the volume of business in the membership leans toward large business, like General Motors, which can put up a factory anywhere in the world where conditions are favorable, like Ford Motors, or like Remington Rand, which is now going into Japan, as it has already gone into Scotland. It was only recently announced that a certain number of its employees in New York had been discharged.

With that kind of definition it can be easily understood why free trade can not be the solution of the labor problem, because with free trade it is possible to put slave labor and sweatshop labor of Europe and Asia in direct competition with the high-wage standard of living of this country.

ONLY EMERGENCIES CURE UNEMPLOYMENT CAUSED BY FREE TRADE

The junior Senator from Nevada, if he thought it could be done successfully, could understand why some people would advocate free trade. He does not believe it could be successfully done without the unemployment which would ensue in this country, as evidenced by the 5 or 6 million unemployed when the great police action was instituted in Korea by the President of the United States, and the 10 or 12 million partially unemployed. Mr. Sawyer, the Secretary of Commerce, a few months after the Korean affair started, said that we had cured the unemployment problem. So we had. The same thing obtained before World War II. We had 9,000,000 unemployed when World War II came along. The record shows that we had that number of unemployed at the time of Pearl Harbor. We also had somewhere between 12 and 17 million partially unemployed.

So, Mr. President, the junior Senator from Nevada believes that even if we were successful in our free trade outlook of leveling living standards, unemployment insurance would soon be used up and Social Security benefits would soon be used up. Then we would go into a different form of government. We would go into nationalization and socialization of industry as has happened in England. I am sure business would not take to it.

Mr. WELKER. Mr. President, will the Senator yield?

Mr. MALONE. I am happy to yield.

Mr. WELKER. I wish to say publicly that I know of no one who has made such a study of tariffs and trade as has the distinguished Senator from Nevada. His remarks are instructive and enlightening not only for the people of Nevada but for the people of my State of Idaho, and I am sure the distinguished senior Senator from North Dakota [Mr. LANGER] shares my feeling as we consider all the industries in the West which are so vital to us. I wonder if I may ask the Senator one more question.

Mr. MALONE. I would be very happy to have the Senator do so.

Mr. WELKER. Is it not correct to say that the bill would continue to permit foreign goods to come into the United States with few, if any, concessions given to the exports we ship to other countries?

NO RECIPROCITY

Mr. MALONE. I would say to the distinguished Senator from Idaho that it is true, unfortunately, under the system that we have inaugurated. The free-trade system has been sold to the country under the guise of reciprocal-trade agreements. There is no such act as a reciprocal trade act. It is not a bill to establish reciprocal trade. The State Department advertises it as a Reciprocal Trade Act. That is a farce and a subterfuge on the face of it. The words "reciprocal trade" do not occur in the act itself. There is no indication that it is a reciprocal trade act. However, they have run the Government for 18 years on catch words and phrases.

Mr. WELKER. Mr. President, will the Senator yield?

Mr. MALONE. I will yield very shortly; however, I would like to finish my answer. They have sold free trade to this country under the guise of reciprocal trade. I will demonstrate how it is a defeat for us. The junior Senator from Idaho understands there is no such thing as an actual trade agreement made under the act. The agreements made are tariff-reduction agreements.

We lower tariffs almost on a unilateral basis. The record shows that the recipient nation, with which we have made a bilateral agreement, almost without exception and almost immediately, will manipulate its currency, set up a quota system, set up an embargo system, and set up specifications. They will have currency of one value when we made the agreement and of another value when we realize what has happened. It is a one-way street. That is the program established by the State Department, which is wholeheartedly and enthusiastically for giving away the markets of the United States.

There is no record—at least that the junior Senator from Nevada has ever heard of—that there has been a raising of any of our tariffs. It has always been a lowering of tariffs. We always give something away without getting an honest concession in return.

THE STERLING BLOC

As a direct example, I cite the experience at Torquay, England. The British Empire, which includes practically half of the nations of the earth, has established a so-called sterling-bloc sys-

tem. Mr. President, the sterling-bloc system works in a peculiar way. The dollars earned by the member countries are given to London to be doled out according to need. In addition, Great Britain has blocked the use of sterling balances held in London by the member countries. An Italian banker whom the junior Senator from Nevada visited in Rome in 1947 said: "We thought we were getting along very well. We had 25,000,000 pounds in sterling all ready for use after the war. Suddenly our sterling balances were blocked. So we could spend only a certain amount of it each month."

Instead of having 25,000,000 pounds in sterling to spend, he had nothing. He could buy only certain things and could spend only 10 or 15 percent of it a year, or whatever the percentage was.

INDIA WAS FORCED TO STAY IN STERLING AREA

The same thing was true in India when the junior Senator from Nevada was in India and had his long visit with Nehru. I believe it was in 1948. I believe they had seven or eight hundred million pounds in sterling, for which they had furnished material during the war to the British Empire. They had received that much credit. When they started to spend the money they were allowed to spend, I believe, only 8 or 10 percent each year. It really amounted to a restriction. In other words, it was a long-range credit. They held it over Mr. Nehru. He did not have any hopes of trading out the whole seven or eight

hundred million pounds. Then he had to submit to other restrictions. He could only trade in certain ways with other countries. So India stayed in the sterling bloc. I do not recall if it was an absolute condition.

I urged him to make a long-range deal, man to man, because he has manganese and everything else that we need. In fact, he has more material than he can use. However, he could not deal openly and aboveboard and freely with other nations as long as he was in the sterling bloc.

MOST-FAVORED-NATION CLAUSE

To come back to the point which the distinguished Senator from Idaho has made, the Trade Agreements Act does not operate to our advantage at all. The other nations trade only when it is to their advantage to trade. We trade anyway. There is in our trade agreements what is called a most favored-nations clause under which we operate.

So when we make a bilateral trade treaty with any nation, every other nation in the world immediately is allowed to benefit from that reduction in the tariffs. The benefit to us is illusory.

Therefore, when England said point-blank that she did not want to make any more concessions at Torquay, England had already gotten any advantage she could get by means of lowering any of her own tariffs or import fees. She still had her imperial preference, and that was worth more to her.

So England said, "We will not play ball."

MOST-FAVORED-NATION CLAUSE A TRICK

The United States then went ahead and made many bilateral trade treaties with other nations, and immediately all the nations of the British Empire obtained the advantage of those concessions to the other nations, in the same way, as I have described, that Mexico benefited in regard to reductions of duties on lead and other materials.

As I have said, until last year we had a trade agreement with Mexico covering lead and certain other materials; but finally Mexico wished to increase her tariffs and we terminated the agreement. Thereupon the tariffs reverted to the 1930 tariffs. Following that, at Torquay we most carefully made with another nation agreements in regard to the same products. The result was that while Mexico was raising her tariffs on them, as she had announced she would do, she obtained the same advantage which she had before, and in some instances I believe she obtained a greater advantage than she had before, without giving us anything in return.

As proof of that statement, Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table showing changes in United States tariffs, due to termination of Mexican trade agreements, which were canceled by the Torquay negotiations.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Changes in United States tariffs due to termination of Mexican trade agreements which were canceled by Torquay negotiations

Tariff Act of 1930—par.—	Description of product	Mexican trade agreements rate of duty	Rate of duty on termination of agreement	Torquay rate of duty
1.....	Naphtbenic acids.....	12½% ad val.....	25% ad val.....	6¼% ad val.
93.....	Zinc sulphate.....	¾¢ per lb.....	¾¢ per lb.....	¾¢ per lb.
202 (a).....	Floor and wall tiles: Not wholly or in part of cement, if valued at not more than 40 cents per square foot (except quarries or quarry tiles and ceramic mosaic tiles). Wholly or in part of cement: Valued at not more than 40 cents per sq. ft.....	5¢ per sq. ft., but not less than 25% nor more than 35% ad val. 5¢ per sq. ft., but not less than 25% nor more than 35% ad val.	10¢ per sq. ft., but not less than 30% nor more than 70% ad val. 10¢ per sq. ft., but not less than 30% nor more than 70% ad val.	5¢ per sq. ft., but not less than 25% nor more than 35% ad val. 4¢ per sq. ft., but not less than 20% nor more than 28% ad val.
207.....	Valued at more than 40 cents per sq. ft.....	30% ad val.....	60% ad val.....	24% ad val.
210.....	Fluorspar containing more than 97% of calcium fluoride.....	\$4.20 per ton.....	\$5.60 per ton.....	\$2.10 per ton.
	Common yellow, brown, red, or gray earthenware, plain or embossed, composed of a body wholly of clay which is unwashed, unmixed, and not artificially colored; common salt-glazed stoneware; all the foregoing (except earthenware and stoneware crucibles): Not ornamented, incised, or decorated in any manner, and manufactures wholly or in chief value of such ware, not specially provided for. Ornamented, incised, or decorated in any manner, and manufactures wholly or in chief value of such ware, not specially provided for.	10% ad val..... 10% ad val.....	15% ad val..... 20% ad val.....	5% ad val. 5% ad val.
217.....	Vials and ampoules, wholly or in chief value of glass, not specially provided for, if unfilled: If holding more than 1 pint..... If holding not more than 1 pint and not less than ¼ pint..... If holding less than ¼ pint.....	1¢ per lb..... ¾¢ per lb..... 25¢ per gross..... 22½% ad val.....	1¢ per lb..... 1½¢ per lb..... 50¢ per gross..... 40% ad val.....	1¢ per lb. ¾¢ per lb. 25¢ per gross. 12%-20% ad val.
330.....	Table, household, kitchen, and hospital utensils, and hollow or flat ware, not specially provided for, composed wholly or in chief value of tin or tin plate, not plated with platinum, gold, or silver.			
391.....	Lead-bearing ores, flue dust, and mattes of all kinds.....	¾¢ per lb. on lead content.....	1½¢ per lb. on lead content.....	¾¢ per lb. on lead content.
392.....	Lead bullion or base bullion, lead in pigs and bars, lead dross, reclaimed lead, scrap lead, antimonial lead, antimonial scrap lead, type metal, Babbitt metal, solder, all alloys or combinations of lead not specially provided for.	1½¢ per lb. on lead content.....	2½¢ per lb. on lead content.....	1½¢ per lb. on lead content.
407.....	Packing boxes (empty), and packing box books, of wood, not specially provided for.	7½% ad val.....	15% ad val.....	3¾% ad val.
702.....	Sheep and lambs.....	\$1.50 per bead.....	\$3 per bead.....	75¢ per bead.
711.....	Bobwhite quail, valued at \$5 or less each.....	25¢ each.....	50¢ each.....	25¢ each.
1111.....	Blankets, and similar articles (including carriage and automobile robes and steamer rugs), made as units or in the piece, finished or unfinished, wholly or in chief value of wool, not exceeding 3 yards in length, any of the foregoing if band-woven: Valued at not more than \$1 per pound..... Valued at more than \$1 but not more than \$1.50 per pound..... Valued at more than \$1.50 per pound.....	20¢ per lb. and 20% ad val..... 20¢ per lb. and 20% ad val..... 20¢ per lb. and 20% ad val.....	80¢ per lb. and 36% ad val..... 33¢ per lb. and 37½% ad val..... 40¢ per lb. and 40% ad val.....	30¢ per lb. and 30% ad val. 30¢ per lb. and 30% ad val. 30¢ per lb. and 30% ad val.

Changes in United States tariffs due to termination of Mexican trade agreements which were canceled by Torquay negotiations—Continued

Tariff Act of 1930—par.—	Description of product	Mexican trade agreements rate of duty	Rate of duty on termination of agreement	Torquay rate of duty
1513.....	Dolls, parts of dolls (including clothing), and doll heads, of whatever material composed (except those composed wholly or in chief value of any product provided for in paragraph 31, Tariff Act of 1930, and except those composed in any part, however small, of any of the laces, fabrics, embroideries, or other materials or articles provided for in paragraph 1529 (a), Tariff Act of 1930): Other than products of Cuba.....	35% ad val.....	70% ad val.....	35% ad val.
1513.....	Toys and parts of toys, not specially provided for, wholly or in chief value of china, porcelain, parian, bisque, earthenware, or stoneware: Toys in the forms of musical instruments and capable of emitting sound (except toys in the forms of stringed instruments or accordions).	35% ad val.....	70% ad val.....	35% ad val.
1516.....	Wax matches: Other than products of Cuba.....	20% ad val.....	50% ad val.....	35% ad val.
			40% ad val.....	10% ad val.

Mr. WELKER. Mr. President, will the Senator yield?

Mr. MALONE. I yield for a question.

Mr. WELKER. First, Mr. President, let me say that I wish to express thanks for the profound answers which have been given me by the distinguished Senator from Nevada. I am sorry that every American workingman, who is as proud of his job as he is of the country which gives him that job, cannot hear the enlightening words of the Senator from Nevada, as he speaks at this time. I know of the study and the hard work he has given to this measure. It seems almost disgraceful that only six or seven Senators are now in the Chamber listening to the Senator's able address. However, I assure the Senator from Nevada that I shall do my part to carry the message to the people I represent.

My concluding question is this: Is it not a fact that the bill is, in effect, another wealth-division means whereby we would divide our wealth with those who live in foreign countries, inasmuch as we have to pay for our imports with hard-earned American dollars? I should like to have the Senator's observations on that point.

AMENDMENTS TO H. R. 1612 USELESS

Mr. MALONE. Mr. President, the distinguished Senator from Idaho has put his finger squarely on the sore spot. The present policy can end with no other result. In other words, I again make the categorical statement that none of the amendments to H. R. 1612, neither the peril-point amendment, the escape-clause amendment, nor any of the others—will direct the President to do anything at all. To the contrary, he will be able to continue to do exactly as he has been doing.

We have had three of these international tariff-cutting conferences, and we have suffered each time. The last time, at the Torquay Conference, the tariffs on at least 3,000 or 4,000 products were either bound so that we could not raise them, or were lowered again. So in the main, the tariffs are now below the peril points, due to the fact that for so long a time we have followed a policy of lowering our tariffs and due to the inflation which has occurred, which has brought the value of our dollar down to about 35 or 40 cents, in terms of purchasing power.

Of course the result of a decrease in the purchasing power of the dollar is a

lowering of the tariffs. The same effect occurs when a foreign nation lowers the value of its currency, as was done by all the nations of the British Empire and the British Commonwealth of Nations, and as was subsequently done by France, about 30 countries in all. The nations of the British Commonwealth lowered the value of the pound from \$4.03 to \$2.80, and that resulted in the immediate lowering of the United States' tariffs by approximately 30 or 31 percent.

EVEN FOREIGN RETAILERS ADVERTISE HERE NOW

Earlier in my remarks I read into the RECORD a British advertisement from a leading American magazine; and similar advertisements have appeared in many of our newspaper and magazines—for instance, the New York Times, the New York Herald-Tribune, Look magazine, the United States News and World Report—in fact, practically all the leading newspapers and magazines in this country. Practically all of them carry full-page advertisements of that sort. The advertisement to which I have already referred advises the readers to "Be your own broker. All you need to do is send \$10 to us, at a cost to you of a 5-cent stamp, when sent by regular mail, and we will send you at once a very fine skirt."

The advertisement was inserted in that magazine by a London concern, and those who read the advertisement were led to believe that the dress for which they thus would pay \$10 could not be purchased in the United States for less than \$20 or \$25. Perhaps that is so. It may be true in view of the difference between the wages paid in Britain and the wages paid in the United States. I implore all Members of the Senate to consider the difference between the wages paid in our country and those paid in Britain. The average hourly wage in manufacturing industries in the United States is \$1.41, and the average hourly wage in manufacturing industries in Britain is 39 cents.

The advertisement to which I have referred went on to say that it was possible for that firm to sell for \$10 a dress which would cost not less than \$20 or \$25 in the United States because of the lowering of the value of the pound from \$4.03 to \$2.80; and the advertisement advised its readers to "Be your own broker."

Mr. President, I say to the distinguished Senator from Idaho that there is nothing in this measure which would

prevent the State Department from calling another Torquay Conference on the day following the passage of the bill or at any time up to the date of the expiration of the act; and now it is proposed that we extend the act for 2 years. Of course, the present act will expire on June 12, unless it is extended. In my humble opinion, the President or the Secretary of State is very likely to call another conference of that sort.

Mr. WELKER. Mr. President, I thank the Senator from Nevada very much for his answers to my inquiries.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

WOODPULP AND PAPER IMPORTS ARE HURTING DOMESTIC INDUSTRY

Mr. JOHNSTON of South Carolina. In South Carolina we have a great many pulp mills. They sell millions upon millions of dollars' worth of paper. If this measure becomes law, how will it affect our pulp mills?

Mr. MALONE. I would say to the distinguished Senator from South Carolina that the 18-year-old policy has already affected them. The tariffs on wood pulp coming into the United States from Canada were lowered. At this moment I do not have before me a complete history of the wood-pulp industry, but it is very easily secured.

Of course, generally speaking, during the war we had some difficulty securing all the wood pulp we needed. At that time I was special consultant to the Senate Committee on Military Affairs, and I remember that many factories were built with American capital in Canada—and I think rightly so; I think that was a very good idea. However, the tariffs on wood pulp were lowered, and that resulted in the destruction of some of the pulp mills in the United States, just as has occurred in the case of other of our industries—for instance, just as occurred in the case of the mercury industry and the tungsten industry in the United States, because of the competition of tungsten imported from Burma, China, and Mexico and, in the case of mercury, because of competition of mercury imported from Spain and other nations.

Of course I do not know the exact conditions which exist in the pulp mills in South Carolina. However, in this connection we should consider the difference between the wages which are paid in the United States and the wages

which are paid in other countries where industries competitive with American industries are located. For example, in Canada the average hourly wage in manufacturing industries is 92 cents, but in the United States it is \$1.41, as we see by the chart which now is on display in this Chamber.

Also, when we consider the chart showing the comparative hourly earnings in selected industries, we see that in the United States the average is \$1.59, whereas in Canada it is 90 cents.

It is impossible, except for the most developed industries, to overcome the competition of lower-paid labor without an adequate tariff or import fee.

Mr. JOHNSTON of South Carolina. As the Senator said a few moments ago, a decrease or reduction in the value of the dollar, causes the cut to be doubly severe, does it not?

FLEXIBILITY NOT NEW

Mr. MALONE. That is correct. The reason given by the junior Senator from Nevada is founded upon a long period of study, extending over many years. I may say it does not embarrass me to say that, because of having been 30 years in the engineering business, and 15 years, the latter part of it, in industrial engineering. It is necessary to know where raw materials come from, and to know their comparative cost. A fixed tariff never does work very well. That is why, over a period of years, and for as much as 75 years, we built this country upon a tariff. It was a fixed tariff. Immediately following World War I, there was talk of flexible import fees or tariffs. Then, in 1930, there was placed in the Tariff Act, in section 336 a provision that the Tariff Commission could raise or lower tariffs, by as much as 50 percent, upon a proper showing, and in an investigation initiated on its own motion, or on the request of any interested party and after a proper hearing. This provision worked well. But the 1934 Trade Agreements Act, with this avalanche of pressure on the part of an internationally minded State Department, to the effect that we must give away our markets, almost obliterated the tariff. There are very few people know about section 336 of the Tariff Act of 1930, and that, if we do not extend this tariff bill for 2 years, we shall still have the flexible tariff provision of the 1930 Tariff Act to fall back on. This is applicable in every case where tariffs have not been covered by agreements, such as we have described in the course of this address.

EQUALIZE TRADE IN MAN-HOURS

I would say to the distinguished Senator from South Carolina and to the Senator from Idaho that what we are trying to do, and what we have done over a period of years in our awkward way, improving it from time to time—and I think the suggestion which the junior Senator is making here as a substitute has considerable merit—what we are trying to do is to equalize the trade in the hours of labor. If we are to be fair to our fellow men and to foreign nations, it must be said that we are trading hours of labor, and that, if we take any

advantage of a man, we are hurting him, and, if he takes any advantage of us, he is hurting us. The only kind of fair trade is trade upon an even basis.

Mr. President, how is that to be done? There are two things to be considered, which are major factors, and they can be taken into consideration through this bill which is offered as a substitute for the Senate Finance Committee's bill as reported. There are two major factors. First, the cost of labor; second, its productiveness. Then, of course, there is a certain transportation cost connected with getting it here. But, in the first place, it must be kept in mind that the labor in Canada is 92 cents an hour, while in the United States it is \$1.41 an hour. That is one consideration. The other is efficiency. Those two factors enter into a consideration of this particular case. That may or may not absolutely represent the difference in cost, because that labor may be using older machinery, which may not be so efficient. Canadian labor in general, I think, is as efficient as labor in the United States, but nevertheless it is necessary to have an import fee in order to even up those hours of labor. Either we are trying to take advantage of another country, or we are trying to divide our markets and wealth with them, if we deny that that is true; so then there is the question, what is a tariff?

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. MALONE. Let me finish this one statement, after which I shall be happy to yield to the Senator from South Carolina. What is the idea of a tariff? What is the idea of an import fee on a flexible basis? Flexibility means that we are not freezing a tariff for 3 years, as is being done under one of these trade agreements, where a tariff cannot be changed without another conference. That is, under certain conditions it might be changed, but we are so bloody by the time we get it changed that we lose more than we gain for the moment. So the tariff, which the foreign trade authorities will set with full latitude under the principle of fair and reasonable competition, will be determined in the same manner as the Interstate Commerce Commission fixes freight rates on the basis of reasonable return on investment. All these factors are taken into consideration. When we trade 1 hour of labor, we are trading 1 hour equal here with another hour abroad under the flexible import-fee system. I am now happy to yield to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. I observe from the Senator's chart that the rate in the United States is \$1.41 an hour, while that in France is 21 cents an hour. It is true that in France the industries can use a great deal of machinery which we in America can not use because they require a great deal of labor; but it is also true that, when they purchase the machinery, they get it at a very much cheaper price than we can obtain the latest machinery in America for. Is not that true?

Mr. MALONE. I think it is true.

Mr. JOHNSTON of South Carolina. That also offsets the capital investment, does it not?

Mr. MALONE. I understand that is correct.

Mr. JOHNSTON of South Carolina. So, comparing that labor with American labor, we cannot go into a field to compete with them, can we?

Mr. MALONE. We cannot, unless, in any specific country, the economics of the situation permit it.

Mr. JOHNSTON of South Carolina. I am interested in another field, that of textiles. I notice the Senator lists textiles on the chart. The designation on the chart is "wool textiles." Both wool textiles and cotton textiles are manufactured in South Carolina. As the Senator probably knows, in South Carolina work in the factories represents 28 percent of the textile hours covered in the entire United States. That, of course, involves employment of many people. How would the pending bill affect the textile workers of South Carolina who receive \$1.49 an hour, when they have to compete probably with workers in France getting 21 cents an hour, or, in Germany, 29 cents an hour?

EFFECT OF LOW TARIFFS ON TEXTILE INDUSTRY

Mr. MALONE. Let us take the item on the chart "Wool Textiles." The chart shows the wages paid by comparison, though not in cents per hour. Take the United Kingdom wage as representing 100 percent, the wage in United States of America is 378 percent. In other words, we in America pay four times the wages paid in the United Kingdom. That would be paid at the switch in the Senator's State. We pay 378 percent more in wages in this country than our competitors in the United Kingdom pay. Is your worker in South Carolina 378 percent more efficient? The only way we are going to maintain an industry, as I think we are finding out now, is through an emergency, when contracts can be made, when it is possible to buy everything that anyone can produce, because we are taking money out of the Treasury for deficit financing. In 18 years we have found that we always have an emergency, we are never without one, and we always have some reason for taking money out of the Federal Treasury.

MODERN MACHINERY AVAILABLE EVERYWHERE

When we reach a peaceful period, if we ever do, industry in South Carolina will crumble and fade away in the night, because our textile worker is not 378 percent more efficient than his British counterpart. We cannot possibly compete. I want to say one more thing, which I thought of while the Senator was speaking. By way of illustration, the junior Senator from Nevada was in South Africa. As a matter of fact, I have been in all these countries with one particular purpose, namely, to find out what kind of machinery was used even in the coal mines and in the steel mills of the Ruhr, and in Birmingham, England, and in the chemical plants and chemical centers of Germany. I was interested in the economics of the country and as to how the

tariffs, import fees, and trade agreements worked. I found in South Africa that the people were very friendly. I was a visitor, and they were friendly because I was interested in their business. We flew over manganese deposits and chromite deposits. The idea of buying manganese from Russia is the craziest ever suggested. There is more manganese in South Africa, Brazil, and India than can be used in the next hundred years. Why do we have to buy it from Russia? The suggestion that we must do so is just an excuse for giving them what they want.

In South Africa I had dinner with the Prime Minister, or whatever his title may be. I said to him, "If I were younger and were not in the United States Senate, I would stay here and produce manganese." We cannot make a pound of steel without using manganese. I am sure I could get all the money necessary to buy equipment. He had already offered a long-term lease to anyone, not only to me. If I had had an opportunity to stay there, does the distinguished Senator from South Carolina believe I would have installed second-hand machinery? No; I would have purchased the latest machines that United States factories make, and I could have produced more manganese, for the labor put into the operation, than could any man in the United States because the machinery would be new.

In South Africa at that time the wage for Negro labor was 40 cents a day. Superintendents and foremen would have to be trained and their pay would have to be raised, but it would take some time before they would develop sufficiently to be able to do the work of a man in this country. But they could be paid \$6 or \$7 a day, and that would still leave several dollars.

I notice in newspapers all over the country the idiotic statement that we do not need any protection in this country because of our know-how and our improved machinery.

Mr. JOHNSTON of South Carolina. I am very much interested in textiles, for the reason that I have been closely associated with that industry. I worked for 10 years as a laborer in cotton mills. I know what happens in that industry in times of depression. The work is reduced to 3 days a week instead of 5 days a week. That is what I fear may come about if our labor is thrown into competition with that of other countries where labor works so cheaply.

Mr. MALONE. That is exactly what will happen.

Mr. JOHNSTON of South Carolina. I was talking during the week end with the operator of a chain of mills. I learned that that chain uses more cotton than is grown in the State of South Carolina. The places where the mills are located are not in the largest textile-manufacturing county in South Carolina, by any means. Henderson County manufactures more textile, and Spartanburg and Greenville are also much larger producers. I do not want anything done that will affect the industries which do so much for my State.

Mr. MALONE. Nothing can happen so long as we have an emergency. Whether we have our troops in Iran to settle the oil dispute, or whether they are in Europe or in Korea, unless there is a war at the end of all this preparation, foreign products will come into this country in such volume that our own mills will close down or severely curtail production. It will hurt not only South Carolina, but every other State. The farmers will be injured. What will they do? They will come to the Senate to get us to make up the difference in their income. The problem comes right back to the taxpayers of the United States. I am in favor of subsidies to keep the farmers alive until such time as Congress wakes up and lays down a principle so that they can live.

Mr. JOHNSTON of South Carolina. The Senator from Nevada does not have to tell me about that. Girls in the cotton mills in my State earn as much as \$60 a week, in many instances, working five days a week. If they are cut to 4 days a week, their income is reduced by one-fifth. If they work only 3 days a week, they lose 40 percent of their wages. The man from whom they buy their clothing is affected. Everyone with whom they do business is affected. Automobile dealers and others all along the line are affected. When it comes to paying State and national income taxes, they are affected across the board. It will injure the individual taxpayers throughout the United States. The manufacturers of shoes and clothing will not sell as much as they previously sold.

Mr. MALONE. I am interested in what the Senator says, because he is carrying the point down to the detail which is necessary to understand the problem. The protection which may be afforded affects mining and agriculture. It affects not only the cotton business, but the precision-instrument business; it affects textiles not only in the South, but in New England. It affects the little textile industry which I am trying to nurse along out West. It affects every industry in the United States. What happens when they all go down at once, when unemployment starts all over the country? I should like to ask the distinguished Senator what he thinks will happen when peace, for which we all pray, arrives. When we use our unemployment insurance, are we going to lower the wages and our standard of living and meet the competition of the United Kingdom, France, and Japan, or will we nationalize a few industries, as has been done in England?

Mr. JOHNSTON of South Carolina. I certainly hope we shall not nationalize them. The next thing would be to lower the tariff to meet the competition.

Mr. MALONE. Mr. President, I am happy that the distinguished Senator from South Carolina is interested. I want to point out, since he has just mentioned the fact that the cotton mills are on a 4-day workweek, that I was informed this morning that the sewing-machine manufacturers in certain areas have cut off a day from their workweek.

Mr. President, this is at the height not only of ordinary prosperity, but war

prosperity. I understand, of course, that what is now going on is merely a police action, but nevertheless it has the effect of war on the economy.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement showing the cost of imported sewing machines. Yesterday I had two comparable models of portable sewing machines available for inspection on the floor of the Senate. One was a domestic model, the other an imported Japanese machine. I went into the differentials yesterday. I now ask that the statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

COST OF IMPORTED SEWING MACHINES

Two comparable models of portable sewing machines are available for inspection on the floor. One of them is a domestic model, the other an imported Japanese machine.

Here are some interesting data regarding those machines:

Man-hours of labor for making the head:	
Japanese machine (hours) ..	10
Domestic machine (hours) ..	8
Wages per day of production worker:	
Japanese machine	\$0.90
Domestic machine	\$15.50
Total labor cost per machine:	
Japanese	\$1.11
Domestic	\$15.50
Wholesale price, including motor and stand or case:	
Japanese machine	\$28.00
Domestic machine	\$84.00
Retail price:	
Japanese machine	(¹)
Domestic machine	\$110.00
Tariff rate (Japanese machine):	
Before GATT (percent ad valorem)	15
After GATT (percent ad valorem)	10
Imports from Japan (Japanese machines):	
Value, 1929-49	\$1,450,000
Value, 1950	\$4,845,000
Number, 1950	227,000

¹ What the market will bear.

In 1950, compared with 227,000 machines from Japan, the United Kingdom supplied 13,098 machines, with Italy supplying 39,394, and Germany 26,000, although the duty reductions at GATT were made with countries other than Germany, Italy, or Japan. This, of course, is an obvious case of a third nation getting all the benefit under most-favored-nation clause.

GOLD PRODUCTION AND CURRENCY BASE

Mr. MALONE. Mr. President, I do not like to get too far afield from several matters that have been mentioned before commenting on the questions asked by the senior Senator from North Dakota and the junior Senator from Idaho. There was the matter of the shutting down of the gold industry here during the war, while we were selling gold-production machinery, heavy dredges, some of which cost seven or eight hundred thousand dollars to manufacture, to South Africa and to Canada and to other foreign nations. That was a fact well known by almost everyone. However, at the time I was simply a consultant to the Military Affairs Committee, and was so busy I had but little time to work on

that matter, and probably could have done nothing about it had I had time to work on it at that time.

Early in my address I pointed out that Marshall plan nations can buy gold from our Treasury, with Marshall plan or ECA money, and then sell it wherever they desire at whatever price they can obtain, which of course has been much more than the \$35 they needed to purchase the gold from our Treasury. There are several subterfuges used by foreign nations. I do not blame the nations for making use of those subterfuges, Mr. President. I want that distinctly understood.

Two or three years ago I was in Toronto, Canada, and talked before a mining organization there. At that time the Canadians could not mine gold for \$35 an ounce any more than we could in the United States. At this time practically all our gold mines, with the exception of a couple of low-cost producers, are shut down. Perhaps there may be some small mines in operation, but not very many. Most production is down. Why? Because with the inflation, wages are up, costs are up, and the gold remains at \$35 an ounce. Canada has had the same trouble. But since we were the Nation which was guaranteeing the \$35 an ounce for gold, what did Canada do? There are some smart people in Canada. I hand it to them. Out of the Canadian treasury they paid as high as \$7 an ounce bounty or margin for the gold. If a miner produced an ounce of gold he received \$7 an ounce out of the Canadian treasury, and he received \$35 an ounce in America. So the producer received a total of \$42, that is, \$35 from the United States and \$7 from the taxpayers of Canada. The Canadians mined the gold and sold it to us.

Mr. President, returning to the subject of the customs simplification plan that was proposed last year, I am given to understand a similar measure has been introduced in the present session of Congress. I have already explained how the simplification plan works. It results in goods coming in at a lower price than we can meet. There was never any idea of simplifying anything, except to bring in goods below our production costs.

RULE ON MARK OF ORIGIN EASED

Another section of the Customs Simplification Act amends the requirements for marking the name of the manufacturer and the country of origin on imported products. Thus, the immediate container in which coal tar products are imported need not be marked "Made in Germany." In that connection, the junior Senator from Nevada had a hard time finding the trademark on the Japanese sewing machine which was exhibited in the Senate Chamber yesterday. Finally, after the machine was brought back to the office, the trademark was found concealed under the electric motor.

Pen and pocketknives need not be marked "Made in Japan." Is that not a fine set-up? That ought to be emphasized. Butcher knives, table knives, and carving knives need not be marked with the name of the maker and the country of origin. Surgical instruments and

scientific and laboratory instruments need not be marked. Thermostatic containers, and even medicines, need not carry identifying marks.

Thus the importation of goods from nations which use unfair trade practices, or which are in some other way offensive to the consumers in the United States, is greatly aided. No longer will an American be able to say, "I will not buy these goods since they are made in Germany or Japan." He will not know whether such products as those I have mentioned are of domestic manufacture or imported from Communist nations.

CHANGE IN VALUE FOR CUSTOMS

Fourth. Certain changes are made also in the valuation of certain products. Instead of levying the duty on the higher of either the export value or the foreign value, the Customs Simplification Act provides that the export value be taken.

This makes it possible to declare a specially low export value and bring into the United States an ever-increasing amount of low-cost foreign goods, by taking a value which will reduce the duty payable to the lowest one possible.

In the past, when the export value or United States value could not be ascertained, it was customary to take a value which was based on the cost of production, including a certain amount of profit. This will be changed under the new bill however, for a constructed value which no longer includes a specific amount of profit. Thus, the way is opened, again, to allow imports of unfairly priced foreign articles.

At this point I should like to mention that one of the statements often made by the proponents of free trade is that the consumers of this country have a right to lower-cost products if they can obtain them anywhere else in the world. I invite attention to the fact that it has not been brought to the attention of the junior Senator from Nevada that there are any products coming in from foreign lands which do not take what the traffic will bear. In other words, if there is no competition here the price is high. For example, take the case of Scotch whisky. No Scotch whisky is manufactured in this country—at least of the quality which has been imported. Therefore, even when the devaluation of the pound and the franc was made, there was no decrease in the cost of the Scotch whisky, because the price was raised in accordance with the devaluation, approximately 30 percent. So I say that to make a statement of that kind is to assume that the people of foreign nations do not understand trade, that they do not understand that they can get for their product what the traffic will bear. They do understand it. Therefore, there is no such thing as the consumer profiting by free trade, because those who ship goods into this country simply take what the traffic will bear on the market.

Let us consider item number 5 in the bill to simplify the customs rules and regulations.

Fifth. Certain imports were dutiable on the basis of American selling price. Particularly coal tar products are in this category. Now, however, under the Customs Simplification Act this American

selling price as a base for duty will be changed, to an equivalent regular tariff. This means that price changes for domestic products will no longer have any bearing on the duty imposed on imported coal tar products. The flexible tariff provision, section 336 of the Tariff Act of 1930, is also amended by eliminating the use of American selling price from the determination of the value of imported products which are being investigated under the "Equalization of costs of production" principle.

So, Mr. President, it will be seen that the American selling price is eliminated by this simplification process.

Sixth. Last but not least, the Customs Simplification Act provides for changes in the internal-revenue taxes imposed on certain imported products, such as wines, perfumes containing distilled spirits, and oleomargarine.

This listing, although by no means exhaustive, should serve as warning that the Congress had better beware of the Administration's proposals, especially if they are so innocuously named as "simplification" bills.

We are facing a determined effort by the Administration to bring about the end of the ITO in devious, back-handed ways, since the opposition to the Charter itself has grown stronger. Let us step cautiously in this Congress in voting for Customs Simplification Acts, and the extension of the 1934 Trade Agreements Act with new amendments, lest we find our hands tied even more than they are now tied in regulating the domestic economy.

I wish to call the attention of the Senate again to the fact that we must not only watch the bill under consideration, but we must watch all the approaches. There is no use in closing the gate to a corral if two strands of the wire are missing and the animals can go through the fence.

LEGISLATION FULL OF SLEEPERS

The temper and tempo of legislation coming to the floor of the Senate have not changed in 18 years. Some have said that Roosevelt was to blame. Others have said that Truman is to blame. I say that neither is to blame. We are in an undertow with this legislation. We are not told the truth. We are not told what are the real objectives of legislation which comes to the floor of the Senate. We are not told about the hidden paragraphs, the "sleepers" in these bills. I have just named six sleepers in the simplification bill introduced last year. New York newspapers, Washington newspapers, and newspapers all over the United States say, "What a great thing the simplification of customs is."

What did we think about when we visualized this great effort at simplification? We thought there had been some delay in obtaining information from various sources, or there were some other burdensome regulations.

Who visualized the situation as meaning that if we should pass this bill we would be aiding and abetting the adoption of the International Trade Organization? There are some great men on the Senate Finance Committee. I would follow them a long way, but not this far.

The Senate Finance Committee was told, "We will not ask for the adoption of the International Trade Organization." However, the witnesses did not say, "We will ask for a simplification with six sleepers in it which will help toward the adoption of the International Trade Organization." They did not say, "We have adopted the commercial policy chapter, chapter No. 4 in the International Trade Organization's charter, through GATT." They did not tell us that. I have read the record. They did not tell us that by the adoption of chapter 4 of the International Trade Organization, they had adopted everything of a commercial policy nature in the charter of the International Trade Organization which did not need special legislation by the Congress.

They did not tell us that they were coming forward with special legislation—not the International Trade Organization, but legislation to chink up the cracks—in addition to the customs simplification. So we go along blindly, taking on faith legislation coming down from an administration which is utterly discredited before the country—especially the State Department.

Mr. President, as I have already explained, GATT has been substituted for ITO. We now have pending legislation which would chink up the cracks and make the GATT virtually an international trade organization, which the State Department has promised not to bring before the Congress. Credit is being given the State Department for announcing that the International Trade Organization would not be pressed upon Congress. I have heard members of the Senate Finance Committee say, "They have promised us not to bring the International Trade Organization before the Senate."

However, little attention is paid to the fact that chapter IV, the commercial policy chapter of the ITO Charter, has been adopted, and further congressional legislation is not required. It is expected that other legislation will be offered to complete the adoption of the commercial policy of the International Trade Organization. The pending bill on the simplification of customs would complete the job.

TARIFFS AND SUBSIDIES

I have previously touched on the difference between subsidies and tariffs. The specific difference between tariffs and import fees established upon the principle of fair and reasonable competition to establish a market in this country for foreign nations' goods and the payment of subsidies to bolster our economic structure under a free trade principle is that under tariffs and import fees the ultimate consumer of the specific goods pays the tariffs or import fees and there is no incentive for the importation of goods unless there is a definite market on that basis, whereas the payment of subsidies encourages the goods produced by the cheaper labor to be brought into the country to compete with the higher living standard products of this Nation, and then subsidies collected in taxes from all of the people are paid to the domestic producer to support the eco-

nomic structure until such time as we care to let it go down or reduce our standard of living to a certain extent.

Mr. President, a tariff or import fee paid into the United States Treasury is new money. It is money that can be used to reduce the national debt. It is money that can be used to reduce taxes. It is money that can be used to run the Government of the United States. It is revenue money. When it is paid into the United States Treasury, for the privilege of bringing in a product on a basis of fair and reasonable competition, it is new money. A product will not be brought in unless a need for it exists on the basis of fair and reasonable competition.

On the other hand, let us remember what a subsidy means. Of course, a tariff is paid by the ultimate consumer of the goods. What is a subsidy? A subsidy is assessed against all the people. In other words, it might result in bringing in all the potatoes in Canada, all the wheat in Canada, all the steel from anywhere. What would we do? When those goods became a glut on the market, and when the number of persons affected was of sufficient magnitude to force Congress to move, what would we do? We would put a subsidy on the products to hold up the economic structure and help the industries that are affected, as we do with agriculture. What is the result? We establish a market for foreign goods on our own parity price, regardless of what the cost is.

We did that in the case of dried eggs. We have stored the domestic eggs. We bought them for 90 cents to \$1.25 a dozen and stored them in caves out in Kansas and in various storehouses throughout the country. The merchants of the country bought dried eggs abroad at lower prices. They bought them from China. We eat those eggs.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. MALONE. I am happy to yield.

Mr. CARLSON. While the distinguished Senator from Nevada is talking about imports, I wonder whether he has mentioned oil imports. I have not heard him mention oil imports into our country. It may be of interest to note that we produce approximately 7,000,000 barrels of oil daily, and that we are importing 1,000,000 barrels daily. Based on the employment of personnel, with 275,000 persons producing 7,000,000 barrels of oil daily, the importation of 1,000,000 barrels of oil undoubtedly eliminates 50,000 jobs in this country.

That, however, is not the important problem immediately, as I see it. The immediate problem from the standpoint of the oil industry, in my opinion, is to develop our potential production as rapidly as we can in order that we may have oil for defense purposes. I do not believe that any Senator or anyone else feels that we can depend on foreign oil once the chips are down. Therefore, I think it is very important that we give some consideration to the problem, which is very important from a domestic and national standpoint and also from a defense standpoint.

OIL AND NATIONAL SECURITY

Mr. MALONE. Mr. President, I am glad that the distinguished Senator has brought up the point. We did mention oil earlier in the day, although not in connection with national security. I think it is one of the most important angles in the whole discussion.

The reason why we are not producing mercury today, for example, which is absolutely necessary in any defense establishment, is because of so-called free trade, which means the lowering of the tariff below the differential of costs and below a fair and reasonable competitive level. There is no principle governing the situation. We are not producing tungsten today, although we have started to produce a little of it since some lucrative contracts have been handed out. I may say that more of them have been handed out to foreign countries because those making them are willing to pay more for foreign minerals and oil. I am not sure about oil, but I do know about minerals. The reason why we are not prepared, in our stockpiles, to defend ourselves is because over the entire period since World War II we have refused to pay for the domestic product the price which makes up the difference between the labor costs and the other factors that directly affect production in this country as compared with the foreign producer. People who say, "We must buy where we can buy cheapest," would be horrified to know, as they would if they analyzed their statement, that they are advocating the lowering of wages and the writing off of investments in this country to meet the lower price.

I say to the distinguished Senator from Kansas that I am perfectly familiar with what was happening last year before the so-called police action was undertaken in Korea. The junior Senator from Nevada remembers well that the junior Senator from West Virginia said that 35,000 coal miners were out of work in West Virginia because of the importation of cheap oil from the Middle East, which was coming in for \$1.70 to \$1.80 a barrel. He said that there was unemployment on the railroads; there was nothing to keep the railroads going. It was quite a speech which the Senator from West Virginia made, I assure the Senator from Kansas. At that time I discussed the matter with the distinguished junior Senator from West Virginia, who said he would vote in favor of any industry in the United States which was in the same condition the coal industry in West Virginia was in, because of the competition of the 250,000 to 1,000,000 barrels of oil a day which were being imported last year. That importation caused exactly what the Senator from West Virginia said it would, namely, serious unemployment. There was a reduction in the oil production of Texas and California, and I assume that there was a cut in the oil production of Kansas. So there was widespread unemployment, amounting to more than 5,000,000 or 6,000,000 persons. In fact, when the so-called police action began in Korea on June 27, there was unemployment amounting to 10,000,000 or 12,000,000 persons, and part of the reason for it was

the long-range free-trade policy the State Department has followed.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. MALONE. I am glad to yield.

Mr. CARLSON. I think it is important for us to give consideration to the defenses of our country, particularly in relation to the production of oil. We must know where our potential reserves of oil are, and we must be active in developing them. It is not possible to develop an oil field over night; it takes 3 or 4 or 5 years to do so. At the present time throughout the oil-producing regions of the United States there is a shortage of tubular goods. We need the pipe in order to be able to explore new fields and study the potential oil production in great areas.

I am one Senator who does not believe that we can depend upon foreign sources of supply of oil when we reach a critical period involving the defense of our country.

Mr. MALONE. Mr. President, I am very glad the distinguished Senator from Kansas has brought up this point, because it is one of the most important ones facing our country in connection with its national security.

The State Department has continually worked on the theory that the administration should have the Government pay more for strategic and critical minerals and materials coming from foreign countries than it would pay for such minerals and materials which were produced in the United States. The result is that in time of emergency we are confronted with the same situation which confronted us last year when we were without sufficient mercury, and tungsten, and oil. Suddenly our authorities said, "We need to increase our production of oil by 1,000,000 barrels a day." The distinguished Senator from Kansas is familiar with that demand, is he not?

Mr. CARLSON. Yes.

INCREASED OIL RESERVES DISPROVED ADMINISTRATION BEFORE

Mr. MALONE. That occurred because we allowed some millions of barrels of oil a day to be imported from foreign countries, under the theory promulgated first by Secretary of the Interior Ickes, that great tower of strength for the administration, who advocated his idea that we had to conserve our domestic oil resources and that we had to save and conserve all the tungsten and all the mercury that were available in our country because we would need it for national defense.

I have been in the mining business for 30 years, which is a long period of time, and I have seen these policies come and go.

In 1925 our great Department of the Interior estimated our total oil reserves to be 5,000,000,000 barrels. If Secretary Ickes had come along then and had imposed his policy not only would we need today an additional million barrels of oil a day, but we would need, instead, an additional 6,500,000 barrels a day, because Secretary Ickes would have shut down the oil wells in order to save our reserves of oil for national defense purposes.

Mr. President, it will take us 50 years to recover from the policies of Mr. Ickes, but we are recovering from them. The policy we are discussing here today is another of the policies from which we must recover.

The result of following the Ickes policy was that the development of oil wells in the United States was curtailed or almost discontinued and prospecting in the United States was virtually discontinued. Before World War I began, we were virtually out of supplies of tungsten; and if some of the learned, hand-raised, so-called economists of the present administration had had their way, there would not have been any United States production of tungsten at the time when World War II began, for it was their theory that our supplies of tungsten were insufficient, and that all production of tungsten in the United States should be stopped. However, during World War II we used a great deal of oil and mercury and tungsten; but notwithstanding that fact, today we have in reserve more oil and more mercury and more tungsten than there was known to be in reserve when those economists were complaining about the situation and were saying that we were about to run out of those minerals. Contrary to their theory, larger and larger reserves of oil and mercury and tungsten have been developed in our country because of the dollar incentive which was held out to prospectors and potential producers.

However, today the situation is entirely different; today we are in the hands of some of the so-called experts of the administration who are virtually in control of the Government's departments.

EXPERTS FIRED

At the beginning of the so-called police action in Korea, or the present emergency, I was happy to see that three or four men who knew something about minerals were called in to help the Department of the Interior. I said to the Secretary of the Interior that as soon as the top officials in the administration found out those men were being used by the Department, their services would be ended; they would be dismissed. Well, Mr. President, since then most of them have been dismissed, and today very little is being done to increase mineral production in the United States.

Of course, under the present policy, very little can be done other than to give money from the Treasury to those who will go into the mining business. That is so because we have no tariff or import fees based on the principle of fair competition. Therefore, when the present emergency is over, the investments in those industries will be destroyed. The hotels in Washington are full of men who have come here to get money from the taxpayers because they have learned their lesson and they know that now the Government is going to be a partner in giving away the taxpayers' money.

So, if it is free trade that we want, the Government will be a partner in the various businesses. The result will be that at the end of the emergency a man who has invested funds in such an indus-

try will simply walk off and forget it, for after the war his investment will be gone. Foreign competition will ruin the investments and will end the employment of thousands of our workers.

In my humble opinion, our national security is gravely threatened by the present policy; yet there are those who urge that the policy be continued.

FOREIGN PURCHASES HURT OUR INDUSTRIES

Mr. President, the present policy of "getting the materials where we can get them the cheapest for our consumers" means—and all our working men and investors should be told this—that the Government wishes to utilize the 12-cents-an-hour labor in Japan, the 21-cents-an-hour labor in France, the 19-cents-an-hour labor in Germany, the 39-cents-an-hour labor in the United Kingdom, the 62-cents-an-hour labor in Australia, and the 92-cents-an-hour labor in Canada, as compared with the \$1.41-an-hour labor in the United States. Perhaps the administration thinks that our workingmen are making too much money and that the standard of living of the American workingmen is too high. What a fallacy that opinion is, Mr. President. If any Member of the Senate disagrees with my statement regarding that policy, I should like to debate the matter with him for a little while, if this matter is of interest to any other Member of the Senate.

Already today, Mr. President, the distinguished Senator from Idaho has referred to the definitions I have given of large business and small business. A few days ago I defined large business. I cannot think of a better definition than that one, namely, that a large business may be defined as an individual, partnership, or corporation large enough and of a nature capable of establishing in foreign, low-wage countries plants not only able to serve the immediate foreign area but also able to produce goods for importation into the United States under the present free-trade provisions, to compete with the goods produced by investors and workingmen in the higher-standard-of-living brackets in the United States.

Small business, on the other hand, may be defined as any business too small, or not of such nature as to lend itself to foreign investments.

I shall not today go into the subject of point 4, but I want to say we are now encouraging it further through the so-called point 4. What is the point 4 program of the President? It is a very simple arrangement: He will finance industry, he will borrow money from the Treasury, and establish industries in foreign countries. Not only that, but he will write off the taxes, so that such industries will not need to pay taxes. Foreign investors will have a gratuity. We can develop industry in foreign nations, not only to compete with our own labor and with our own investors, but, if one is wealthy enough to do it, or if he can get some money from the Government with which to do it, then he can keep his entire profit. It is not as it is here, where one makes a real profit and pays taxes on it. If a man will simply leave this country and take a little Government money with him, manufacture

something which he can sell not only in another country but also on the market in this country, through free trade, then everything will be all right.

SUBSTITUTE FOR H. R. 1612

Under my substitute amendment, formally introduced as Senate bill 981, the so-called peril point would automatically become the tariff, except that it would be adjustable to conform to any changed conditions. What is the peril point, the great peril point upon which we have dwelt so much during the past 2 or 3 years? I will tell the Senators what it is. It is a suggestion coming to the President of the United States through the Tariff Commission. The Tariff Commission reports to him what is known as a peril point, which he may exceed in his tariff negotiations. Under the conditions set forth in the substitute for H. R. 1612, the Tariff Commission changed into a foreign trade authority would have sufficient latitude to determine what the peril point is, exactly as the Tariff Commission now determines it; and, after a determination of the peril point, it becomes the tariff under the flexible import-fee system. There is no discretion on the part of the President, who is internationally minded and one-economic-world-minded.

ESCAPE CLAUSE AND PERIL POINT WOULD NOT BE USED

Guided by the Secretary of State, it is well known where his sympathies lie. Time and time again, the Secretary of State and his assistants have testified before committees. Their platform or program is well known. Every member of the Senate should know, if he does not, that they will not use the peril point, that they will not use the escape clause, so that, within a year, or probably after 2 years, I predict that the Senate will do exactly in this matter as it did yesterday regarding the conference report on war goods and strategic materials to Russia and China. It will take about 2 years, I suppose, for it to soak in.

FIXED TARIFFS INADEQUATE

No frozen tariff has ever been completely satisfactory, even if properly adjusted in the beginning. Within a few months or years, conditions may change, through such things as inflation—and especially now, when absolutely no effort is being made to control inflation. Regardless of what anyone may say, inflation can be controlled, but the man who controls it is not going to be popular. The matter of inflation is to me like a man putting on weight. Someone says to him, "Why do you not reduce?" He says, "Well, if I could have as much fun reducing as I had in putting on weight, I would reduce." But there is no fun taking off weight. Likewise, there is no fun when inflation stops. Inflation is described as a time when new money is printed to the extent of several billion dollars a year, as we printed it last year, and when everybody is getting more money every day. Prices, too, are increasing every day. The printing of money keeps up the prices.

Mr. President, there is very little difference—in fact, there is but one difference between an individual, in his un-

businesslike practices, and the Government, in its unbusinesslike practices. The individual is through when his bank quits him, but a government is not through with its unbusinesslike practices until the money it prints becomes worthless. Remember that, for future reference. That is especially applicable to inflation now, when the curve on the inflation chart is going up, over the months, at an angle of 20° to 30°. It is now especially necessary to have a flexible tariff or import fee, if it is for the purpose of establishing fair and reasonable competition. If we want the privilege of giving away industry, and if we wish to divide the markets of the United States with the nations of the world, which is the announced objective of this administration, then a flexible import fee is unnecessary. But I do not go along with that kind of practice, and that is why the junior Senator from Nevada has determined at least to explain the system and to discuss the various factors before a vote is taken.

MANIPULATION OF CURRENCY IN ADDITION TO INFLATION

On the subject of the manipulation of currency, I may say that the United Kingdom in reducing the pound from \$4.03 to \$2.80, took 30 percent off the tariff of the United States of America, immediately, as explained in advertisements by the United Kingdom, which have appeared in leading magazines, for the purpose of selling her products in this country. "Be your own broker," they say, "be your own broker." When everyone in this country becomes his own broker and buys everything from some foreign nation, it will not be hard to visualize what will happen to the United States. Whence comes the income that one uses when he acts as his own broker? It is all right if but a few follow such a course, but let it become a general practice, and see where we go.

Within a very short time, a fixed tariff is thrown out of gear by inflation of the currency and manipulation of the currency systems. Under the substitute offered by me tariffs may be almost immediately adjusted, whereas, under the trade-agreements negotiations by the State Department under the 1934 Trade Agreements Act, a tariff is frozen for a specified length of time, usually 3 years. I understand that all the trade agreements were extended at Torquay for the period of a full 3 years. Not only the trade agreements which were made this time at Torquay, England, but also the trade agreements which were made previous to that time are then frozen for 3 years. So tariffs are frozen for 3 years, with inflation going on and with manipulation of the money systems throughout the world. Just how any sane person can look at this subject dispassionately and consider how the United States of America could in any way benefit from it is more than the junior Senator from Nevada can understand. Certainly there is not a chance on earth of winning under it. But I may say there are a few people who approach it honestly. The Senate is not approaching it honestly. There are a few people who approach it honestly, and when they do, they say it is necessary to

level the standards of living of the nations of the world in order to have peace, perpetual peace, or a guaranty of peace. So that there is no competition; there is no rivalry.

WE CAN'T LEVEL LIVING STANDARDS

The junior Senator from Nevada ran into that idea in India and in other foreign countries. A few persons in this country say that we must level the standard of living, that we must not have a standard of living higher than other nations enjoy. Anyone who will approach the question honestly will acknowledge to himself that if we divided the markets with the nations of the world, it would mean a lower standard. The junior Senator from Nevada can sit down with such a man and discuss the question dispassionately with reference to what it might mean. Such a man understands that if we divide the markets it means a lowering of our wages, and our standard of living; investments must be written off to meet competition or prevent unemployment in connection with a lower standard of living. But any person, Mr. President, who claims that we can divide the markets in this country, lower the tariffs and import fees, and allow the slave-labor nations of the world to compete with our higher living standard, and still maintain our standard of living, is either deceiving himself or he has not developed far enough to understand the subject.

ESCAPE CLAUSE CAN BE EXTENDED WITHOUT EXTENSION

The President, the next point is the escape clause. It has been argued that if it is necessary to extend the 1934 Trade Agreements Act for two more years, there should be available an escape clause for the manufacturers, industrialists, and workers who are already brought under the terms of the trade agreements. Nothing could be further from the truth.

Senate bill 1040, which was in the Senate Finance Committee when the pending bill was reported, provided for an independent escape clause to be included in all existing trade agreements. The committee could have reported the independent escape-clause bill as a substitute for House bill 1612, extending for 2 years the authority of the thoroughly discredited Secretary of State. It was not necessary to extend the 1934 Trade Agreements Act and subject the workingmen and investors to two more years of uncertainty in order to provide an escape clause applicable to existing trade agreements.

I wish to emphasize that, Mr. President. Even if the junior Senator from Nevada had not submitted a separate escape clause, the Senate Finance Committee had ample authority to write off House bill 1612, with the exception of the escape clause, and to report it. What then would have happened? Not a bit of interference with any existing trade agreement would have occurred. They would have been on their own, and the trade agreements would have existed under the same provisions of extension or cancellation. We could have extended the act at the expiration of 3 years, or we could have canceled it without any

extension. The tariffs which had not been adjusted or had not been frozen under the provisions of the 1934 Trade Agreements Act would have come immediately under the flexible import fee provision of the 1930 Tariff Act, section 336. In other words, the Tariff Commission would have taken over any such tariffs and adjusted them, up 50 percent or down 50 percent, in accordance with the law.

So, Mr. President, I repeat that it is a fallacy to say it is necessary to extend the act two, three, or any number of years in order to give an opportunity to apply an escape clause if the President or the State Department made up their minds to utilize it. But, of course, Mr. President, there is no chance of utilizing an escape clause, no matter how it is included and made available to them. That is the judgment of the junior Senator from Nevada.

The fact is that an industrially-inexperienced State Department has the power to disturb the tariff or import fee structure which constitutes the floor under wages and investments, and to discourage private venture capital, not only from creating new business organizations, but to some extent to drive it out of existing industries. A business may be entirely successful today, paying wages based on a high-living standard, while a lowering of the tariff or import fee would immediately put it in direct competition with the low-living-standard nations, and destroy investments.

That was true in the case of tungsten mining following World War II, as indicated by the distinguished Senator from Idaho. It is also true in the case of mercury mining, which was mentioned by the distinguished senior Senator from North Dakota, and in the case of the textile industry, mentioned by the distinguished Senator from South Carolina. He expressed his fears for the industry if further cuts are made, or when we arrive at a peacetime period when industry must stand on its own feet.

LABOR ORGANIZATIONS AND FREE TRADE

The American Federation of Labor is definitely on record with a resolution opposing free trade or the manipulation of the tariffs and import fees to the point that lower-wage foreign labor is placed in competition with the American workers.

The United Mine Workers are definitely opposed to the free-trade principle.

The CIO is the only national labor organization that approves free trade.

The Nevada labor organizations, local 407, CIO, International Union of Mine, Mill, and Smelter Workers, Pioche, Nev.; White Pine County Central Labor Council, Ely, Nev.; Central Trades Labor Council, at Reno, Nev.; and the local lodge No. 705, International Association of Machinists, Sparks, Nev., a division point on the Southern Pacific Railroad, have passed resolutions opposing free trade or any manipulation of the fair and reasonable competition principle that favors foreign low-cost labor over American workers.

Mr. President, the Nevada State Farm Bureau, of Ely, Nev., on December 2, 1949, passed the following resolution:

DOMESTIC AND FOREIGN POLICY—RESOLUTION 17

Whereas the selective free-trade policy adopted by the State Department, based upon the Trade Agreements Act of 1934, is lowering the American living standards through the lowering of wages and is causing unemployment and a subsequent decline in the demand for agricultural products: Therefore be it

Resolved, That the Nevada State Farm Bureau adopts and recommends that the American Farm Bureau Federation support a domestic and foreign policy containing the following features:

I. Foreign policy: (a) Protection of private investments in foreign countries;

(b) Free convertibility of European currencies in terms of dollars;

(c) Consolidation of the European nations into a United States of Europe, and the erasing of all present trade barriers;

(d) Equal access to the trade of all nations of the world subject only to the action of the individual nations.

II. National policy: Set up a flexible import fee which would be based upon fair and reasonable competition administered by a reorganized, experienced Tariff Commission in the same manner as the long-established Interstate Commerce Commission adjusts freight rates for the carriers on a basis of the principle laid down by Congress of a reasonable return on the investment. Under a flexible import-fee principle, a market is immediately established for the goods of foreign nations on a basis of fair and reasonable competition with our own. Other nations in good conscience cannot ask for more. By so doing, America's domestic agricultural market would be greatly stabilized and cease to be a dumping ground for world surpluses. We are a land of agricultural abundance striving to maintain a standard of living unparalleled by any other nation in the world; be it further

Resolved, That the lowering of import fees and tariffs without regard to the differential of the cost of production due largely to the difference in living standards of this Nation and of foreign competitive nations has a demoralizing effect on our agricultural markets as well as those of other industries, thereby causing unemployment and loss of revenue to the American farmer.

FREE TRADE AND FREE IMMIGRATION

Mr. President, I want to say that no one can logically support free trade and oppose free immigration. The result will be the same in either case. There is little difference between the importation of the products of the sweat shop labor and the importation of such labor itself. We all know that there is a well established quota on immigration from foreign nations. The very same legislators who would vote for free trade and have been voting for it for 18 years in some form or another, would violently oppose free immigration, because that would immediately mean Mexican labor and Italian labor and European labor of all kinds would be coming in. Everyone wants to come to the United States of America. But they would violently oppose that. I venture to guess that there would be no vote cast on the Senate floor for free immigration.

But, Mr. President, when it comes to a question as to whether or not we will

extend for two years the right and the full authority to a Secretary of State and a thoroughly discredited State Department, to dominate the workers, the investors and the industrialists of this country for another 2 years, to give them the power to remake the industrial map of the Nation, then a bill comes out of the Senate Finance Committee by unanimous vote. There is objection to it and it has amendments which mean nothing, except to put a little pressure on a President of the United States who does not recognize pressure in the case of trade with foreign nations at all because he, under 18-year-old advice, has announced his policy practically of a one economic world.

THE 1934 TRADE AGREEMENTS ACT

Mr. President, the argument is made that Congress should not refuse to extend the free trade principle through the extension for 2 years of the State Department's authority further to manipulate tariffs and import fees. However, it must be remembered that it was the British Empire—the sterling bloc countries—which refused to enter into further trade agreements at the Torquay Conference simply because they wanted to protect the Empire preferential rates, and could see nothing to be gained by further bargaining. We are apparently the only nation in the world that has no interest in protecting our own people. Our one objective appears to be to divide our markets. We have no principle established to protect our people in any way whatsoever. We have abandoned any such principle.

KARL MARX AND FREE TRADE

Mr. President, I want to say that free trade was an established Karl Marx principle to "hasten the revolution" as he so aptly put it. Karl Marx, the outstanding Communist revolutionist of all time, made a very significant address more than 102 years ago on the subject of free trade before the Democratic Club—a very significant name—of Brussels, Belgium, on January 9, 1848. He said at that time, referring to a celebrated political writer:

In his celebrated work upon political economy, he (Ricardo, the leading economist of his time) says: "If instead of growing our own corn * * * we discover a new market from which we can supply ourselves * * * at a cheaper price, wages will fall and profits rise. The fall in the price of agricultural produce reduces the wages, not only of the laborer employed in cultivating the soil, but also of all those employed in commerce or manufacture."

* * * Besides this, the protective system helps to develop free competition within a nation. Hence we see that in countries where the bourgeoisie is beginning to make itself felt as a class, in Germany for example, it makes great efforts to obtain protective duties. They serve the bourgeoisie as weapons against feudalism and absolute monarchy, as a means for the concentration of its own powers for the realization of free trade within the country.

But, generally speaking—

I am still quoting Karl Marx—the protective system in these days is conservative, while the free trade system works

destructively. It breaks up old nationalities and carries antagonism of proletariat and bourgeoisie to the uttermost point.

Mr. President, the final pronouncement of Karl Marx in his address was:

In a word, the free trade system hastens the social revolution. In this revolutionary sense alone—

I am still quoting from Mr. Karl Marx in his famous address made before the Democratic Club in Brussels on January 9, 1948—

In this revolutionary sense alone, gentlemen, I am in favor of free trade.

Mr. President, the principle has not changed in the 102 years since the outstanding Communist of all time said, in effect, that free trade destroys the working man. Now, since the investment in industry has risen from a few dollars per employed man to an average of approximately \$10,000 per employed man, the investor is an equal victim. So the administration is following the line of communism, and following the line which Mr. Karl Marx described when he said:

In this revolutionary sense alone, gentlemen, I am in favor of free trade.

In other words, the conflict between the bourgeoisie and the proletariat hastens the revolution. That would seem, even at this late date, to be an objective.

Approval of the 2-year extension of the 1934 Trade Agreements Act constitutes approval of the system of reshuffling the private lives of our citizens. Let us see just how this operates, how we reshuffle industry and remake the industrial map of the United States, which has grown up over a period of 175 years, but mostly in the past 75 years, on the basis of a simple principle.

When World War II came along there was a concentration of industry in the heavy-industrial field. For 9 years before that time the administration had been working toward the free-trade set-up of dividing the markets of this country, and it had just about caught up with them. There were about 9,000,000 unemployed when World War II came along, and perhaps 12,000,000 to 15,000,000 partially unemployed. Nevertheless, World War II did come along.

Instead of allowing economics to re-establish the industrial map of the United States, which had been disturbed during the emergency, what did we do? We continued the manipulation of the tariffs and import fees to establish the manufacturing industry. Then, as the Secretary of State and his assistant have said many times, the Marshall plan or the ECA was a temporary expedient to make up the balance of payments until the markets could be divided on the basis which I have described.

The distinguished Senator from South Carolina [Mr. JOHNSTON] is fearful that the production of certain textiles will be abolished in its entirety, or, if those industries are to survive, that the standard of living will be lowered. The mining industry, the crockery industry, the precision-instrument industry, and many other industries will be trimmed down

or abolished, and we shall buy those materials from foreign countries. We shall have to have a greater population in the heavy-industrial areas for the manufacture of automobiles, heavy farm machinery, heavy road machinery, and in various other industries which can be carried on in concentrated areas. I call attention to the fact that the administration and the State Department are engaged in a deliberate effort to reshuffle the population of this country and to remake the industrial map.

ARE TARIFFS A MAJOR FACTOR IN OUR PRESENT INTERNATIONAL ECONOMIC TROUBLES?

Most of our economic troubles arise in Western Europe, and tariffs are major factors in this area's economic troubles. Until they are straightened out, Western Europe will remain a frustrated, unstable economic area. Those countries should not impose tariffs on each other.

Free trade is a beneficial institution for nations whose economies complement each other, as do those of England, France, Holland, Belgium, Italy, Spain, and Portugal. Western Europe, without tariff barriers and without managed currencies, could, to all practical purposes, become a self-contained economic area. We would do the distressed peoples of Europe a great service to insist—which our State Department will not do—that all tariffs between them be abolished.

There are two reasons for free trade in Western Europe: First, the economies are not highly competitive, and secondly, the standard of living is sufficiently uniform to permit free interchange of labor values. Those nations do not need to protect their industries from those of their neighbors: In the main they need the products of their neighbors.

We can visualize the effect of free trade on Western Europe by looking at our own country. Suppose that the rich agricultural area of New York had been blocked off by tariffs from the industrial area of Pennsylvania? Suppose that the western cattle raiser, the wheat farmer, the cotton grower, had had to hurdle trade barriers to get their produce into the Northeastern States? Suppose the watchmakers in Massachusetts and the steel workers of the Mahoning Valley had been cramped up in a small free-trade area? We all know what would have happened: America would never have become prosperous or strong.

About 1,200 years ago Europe was on its way to becoming a United States of Europe under the unified rule of Emperor Charlemagne, but unfortunately the Emperor had three sons instead of one, and to keep them all happy he split Europe three ways, and they have been fighting ever since, recently at our expense. If they continue to fight at our expense we too shall go broke.

The incredibly inept efforts of our present administration to cure the results instead of the causes of Europe's economic troubles are without parallel in diplomatic history.

On the pretext that we must not interfere in internal affairs, which means

that we must not interfere with power-hungry, selfish politicians, we are pouring our own national treasure down the drain of a tariff-ridden hopelessly inefficient economic structure.

Personally, I would be willing to have all the nations of Europe "hate our guts" for forcing them into economic unity. At least they would have someone on whom to center their common dislike, and they might wind up by liking each other.

To effect a workable free-trade program, the nations involved must do more than abolish tariffs; they must stop juggling their currency for political advantages. Until the recent devaluations most of Europe's moneys have had strictly artificial values. The best way to set the rate of exchange is to let the people themselves set it by their voluntary transactions. That is what happens in a black market. The people know the true value, and trade on that basis. What is a black market? It is a true market. It is something which is developing in this country very fast at the present time, for different reasons.

Large-scale trading requires an open market and free interchangeability of currency, which, in effect, would give Western Europe a common currency. If the one-world planners really wish to make a good start in Western Europe, they can do so by making our help dependent upon honest money and free trade in the European area.

It may be remembered that in 1948 and 1949 the junior Senator from Nevada suggested, in amendments to ECA bills, that any help we give be contingent upon free interchangeability of currencies between other nations and ourselves. I also suggested that we lend the money to private industry in such areas, if we really intended to develop the industry, instead of giving it to the Socialist governments to preserve their own kind of government.

The politicians might curse the planners, but the people would bless them. Because the struggle for markets has always been a major cause of European wars, an economically unified Europe might well become a peaceful Europe.

WHAT ROLE DO TARIFFS PLAY IN WORLD TRADE?

Tariffs have three legitimate functions: First, to raise revenue; second, to hold an umbrella over essential infant industries and protect them from being overwhelmed by established foreign competition; and third, to put a floor under the living standards of the people. We have used tariffs for 75 years for the purpose of putting a floor under the living standards of our people.

Properly planned tariffs between truly competitive nations do not seriously interfere with international trade. Rather they stimulate competition, initiative, and product improvement.

Tariffs played a vital role in the development of America.

Our industrial system and our standard of living could never have been possible without them.

Moreover, the fact that American industries were protected encouraged for-

foreign capital to come in on a permanent basis with the knowledge that no ruinous competition of cheap foreign goods could destroy the investment.

The great obstacle to intercontinental trade today is not tariffs. It is the meddling of politicians into the field of trading.

If government would let the private citizen alone, they would soon have international trade back on its feet, but in the face of the existing bureaucratic restrictions this appears impossible.

As a general rule, today the person who wishes to sell is frequently required to secure an export permit before goods can be sold internationally, and the person who wishes to buy must first secure an import permit and then apply for another permit to get the funds needed to pay for the goods.

The most earnest and ethical of politicians could not avoid delay and discrimination in administering such a cumbersome piece of machinery.

This method is excused on the ground that it was needed to break up the big, bad international cartels, but the monstrosity that has been substituted for these cartels, mostly imaginary, is many times more restrictive than the worst possible combination of cartels.

Government control of international trade is part and parcel of the planned economies that sprang up after the war; if you are controlling the people's lives in the field of the domestic economy, you must also control their economic relations with other nations because they are both part of your master plan for socialistic prosperity.

The master plan does not have a chance unless the planners are the masters.

The amount of Government interference in exports and imports is an accurate measurement of Government interference with the people's liberty.

Freedom is like a ball of twine: Cut out just one small section and it falls apart.

Unfortunately the people are unaware of this truth and during emergencies they grant the Government "small" powers over their lives, believing that they will remain small.

But in order to control policy A, the Government must control policy B, which in turn cannot be controlled if the people are allowed to control policy C, which in turn, and so forth, forever. We are getting very close to the "forever."

Ambitious politicians have always been the greatest enemies of the people, and in modern times, due to the highly technical development of our economic lives, they have increased opportunities to bilk the people out of their freedom.

How many Americans know that the economic agreements arrived at in the United Nations could supersede the provisions of our Constitution?

The people are greatly handicapped and their liberty placed in jeopardy because they have no simple set of principles to guide their judgment in voting on high-sounding trade and tariff treaties, which, in their jungle of legal and technical language, contain hidden bear

traps. Some of the bear traps were explained this afternoon in the matter of the customs simplification bill. The time is long past when the Senate can take at its face value any legislation that is sent to it. It is necessary to examine it very carefully.

WHAT SHOULD THE BASIC TARIFF POLICY OF THE UNITED STATES BE?

It should be just about everything that it is not now.

It should be a policy that protects the American people and reflects the traditional aims and customs of our Nation.

At present our tariff policy has been used as an instrument of power politics, and the interests of the American worker have been ignored.

As previously stated, tariffs have three legitimate functions: First, to raise revenue; second, to protect essential infant industries; and third, to place a floor under the workers' standard of living.

America is not particularly concerned about tariff revenue nor protection of essential industry, but our standard of living is of prime concern. At least it is of prime concern to everybody except the present administration.

To understand the broad outlines of what is happening, it is only necessary to remember one principle regarding foreign trade: When we export, we export unemployment; when we import, we import unemployment.

When exports and imports balance as to value and number of hours worked, we break even, and presumably both nations benefit because they get something that they needed in exchange for something they did not need.

Today we have no such balance. That is the purpose of a tariff or import fee, if administered and adjusted on the basis of fair and reasonable competition. A flexible tariff automatically makes up the differential between the cost and the productiveness of the hours of labor. Today the tariffs and import fees are lowered below, as will be admitted, any peril point or any fair and reasonable basis. Therefore we are importing unemployment. Only in an emergency, when we can take money out of the United States Treasury which belongs to the taxpayers of this Nation to make up that balance, can we survive.

For example, in the lead industry, exports of pigs and bars have dropped more than 90 percent since 1938. To make matters worse, since the same year the imports of lead pigs and bar lead have gone up 24,000 percent. That means that 240 times as much lead came into the country. In other words, in 1948, we imported 247,000 tons of unemployment for the lead workers of America.

The same thing is happening or may easily happen to other industries because Congress has given up its tariff powers to the starry-eyed economic planners.

When this embarrassing subject is brought up, someone usually starts talking fast about postwar America's selling too much abroad and not buying enough in return.

That is a trick statement because it ignores the fact that most of what we

export is not sold, but is a gift from the American taxpayer to foreign countries.

In the official record, exports and imports fall into three categories: Merchandise, services, and income on investments.

In 1946, 1947, and 1948 our imports of services and income on investment were \$3,000,000,000 more than our exports.

It is true that in the merchandise category our imports during that 3-year period were about \$25,000,000,000 less than our exports. But here is the joker: About \$18,000,000,000 of this was paid for out of gifts and loans, leaving a difference of only \$7,000,000,000.

Looking at the matter in this way, we find that we bought about the same volume of goods abroad that we actually sold abroad.

Mr. President, how should we regulate our tariffs?

We do not want to freeze anybody out of our markets. We want to help all other countries; but we do not want to put the welfare of the American worker and the standard of living of the entire Nation on the sacrificial altar.

I have proposed to the Congress a means of helping other nations without penalizing America. That means is the flexible-import-fee principle that can guarantee fair and reasonable competition between American workers and the workers of other nations.

For example, a product that is fairly priced in America at \$5 would not have to meet the competition of a foreign equivalent dumped into our markets at \$3. Instead, the tariff on this item should be about \$2, the amount needed to provide for fair competition. That arrangement would put a floor under American prosperity.

WE FINANCE OUR OWN EXPORTS

Mr. President, we have made much of the fact that we must keep up our exports to foreign countries, for various reasons. One of the reasons we give is that we must import as much as we export. Naturally over the years when we give away such enormous amounts of money, the money we give away to others in order to enable them to buy our exports is taken from the pockets of our taxpayers. Furthermore, by means of that process we really have imported unemployment; I repeat, Mr. President, that in that way we have imported unemployment to the extent that we have developed trade above the amount of the legitimate trade. By "legitimate trade" we mean the natural trade between two nations, when one nation buys from another something which the first nation cannot conveniently produce for itself. Legitimate trade is not when the first nation gives to the other nation the money with which to buy the products.

WHAT IS TRADE?

Mr. President, let us start at the bottom in considering trade. One thing of which we can be reasonably sure is that no individual or nation is going to buy anything from another individual or nation if it can conveniently be produced at home. That being true, what do we do? Through our State Department, through our great planners, we say we must keep up our exports. So we give

away approximately \$5,000,000,000 or \$6,000,000,000 or \$7,000,000,000 a year to foreign nations or people, to enable them to purchase our exports; and we call that trade. However, all we do by that means is take the money from the pockets of our own taxpayers and give it to the foreigners, to enable them to purchase the goods produced by our own industries and workers. Instead of doing that, we might as well have our own Government buy those goods directly from our own producers and then give the goods back to them as a gift, because everyone knows that the so-called loans we make to foreign countries are never repaid; they are gifts, not loans. If we continue that policy, we find that we pay for the goods in two ways, both by importing unemployment and by paying for the goods we export and sell abroad.

Mr. President, I have before me a very interesting table which illustrates exactly what I am saying. It shows the situation existing from 1909 to January 1, 1951. In the first column of the table the year is shown; in the second column we find the total production of exportable goods, in billions of dollars. That production ranges from \$17,400,000,000 in 1909 to \$147,200,000,000 in 1950.

In column 2 we find the exports of United States merchandise, in billions of dollars. Those exports range from \$1,700,000,000 in 1909 to \$10,100,000,000 in 1950.

In column 3 we find the percentage of exportable goods exported—in other words, the percentage which column 2 is of column 1. It ranges from 9.8 percent in 1909 to 6.9 percent in 1950. However, during that period the percentage falls as low as 6.5 and goes as high as 12.4.

In column 4 we find listed the United States Government grants and loans from the year 1909 to the year 1950, inclusive; these are the grants and loans we have given or made to foreign nations during that period of time. It runs as high, during the war years, as \$14,016,000,000. Last year, 1950, it was \$4,509,000,000.

In the next column, 5, there are shown exports minus United States grants and loans. In other words, exports of United States merchandise, as shown in column 2, in billions of dollars, minus column 4, which shows United States Government grants and loans in 1950 of \$4,509,000,000, amounted to \$5,600,000,000.

By the way, the percentage of the entire exports of United States merchandise in billions of dollars, as against the amount of exportable goods produced, in billions of dollars, was 6.9. But, after subtracting the billions of dollars which we give to foreign nations, with which to buy our products, we come up with 3.8 percent for 1950.

In other words, considering the billions of dollars which we gave to foreign nations, the percentage of exports runs as high as 12.4 percent, during war years. In 1925, it ran, as high as 10.2 percent; in 1946, 9.6 percent, and in 1947, 12.1 percent. But when, for example, in 1947, we subtract the amount of money which we have given away to other nations for them to buy our

goods, we come back to a percentage of 7.9, even immediately following World War II. So the figure on exports runs as high as, let us say, from 6 or 7 to 9 or 10 percent on an average, with the money that we give away, and when we subtract the money we give away, and measure our foreign trade which we would have if we did not give them the money with which to buy our products, we come back to 3½ to 5½ percent, on an average, as the legitimate trade. This figure measures the amount of foreign trade which we actually have. The remainder comes from the pockets of the taxpayers. The legitimate trade of from 3½ to 5½ percent we have always had. So the great amount of trade which we are supposed to be developing for the United States has not materialized. But we have expended vast sums of money, under the excuse of lend-lease, under the excuse of UNRRA, under the excuse of the \$3,750,000,000 gift loan to England, and the \$17,000,000,000 representing from \$4,500,000,000 to \$5,000,000,000 a year under the Marshall plan and the ECA.

So, legitimate trade may still be defined as trade which comes naturally between two countries. As in the case of individuals, two countries buy things from each other which they cannot conveniently produce for themselves. Where do they buy, when we do not give them the money with which to buy? When they buy something which they cannot conveniently produce for themselves, they buy it from the country where they can get the quality they want at the lowest cost. So when we get through, we finally go broke in our frantic effort to show a good balance sheet. It is like the man who goes to a bank and requests a loan of \$5,000 or \$10,000, because his grocery business did not show the right volume, and who says to the banker, "If I had \$5,000 or \$10,000 to throw around the neighborhood the chances are I could increase my business." If he had plenty of other security, and if he argued long enough, the banker might let him have the money. But, after he had done that for a while, I am afraid his unbusinesslike practices would be ended when his security was not enough for an additional loan. As I said a while ago, earlier in my address, while an individual is through with his unbusinesslike practices when his bank quits him, the Government is not finished with its unbusinesslike practices until the money it prints has no value. We are on the way to finding out the meaning of that method of stopping our unbusinesslike practices, I fear. I did not insert it in the RECORD at the point I should have liked, but I should like now to read a letter from the Senator from Alabama [Mr. SPARKMAN]. It is dated May 17. Speaking of the Small Business Committee, he said:

DEAR GEORGE: We are all aware of the critical problem facing smaller manufacturers. Many of them have been restricted or prohibited from engaging in their normal civil production. At the same time, defense contracts have not been available to the smaller manufacturers in any volume. The resulting

paradox is that small business is in real difficulty at a time when our national economy is operating at nearly an all-time high.

SMALL BUSINESS IS SUFFERING

Mr. President, that is a very sincere letter from a very sincere Senator, and it voices the very problem into which we are running headlong. It is that, under the free-trade system, small business is being scrapped, while large business, defined earlier in my address as business large enough and of such a nature as to establish foreign plants, and not only to manufacture goods for the markets in the low-wage countries within selected areas, but to ship the goods back into this country, prospers.

The objective in assisting these nations in the manner I have just described, through the division of our markets, is reached through the lowering of the tariffs and the import fees on specific products, without regard to the differential of cost of production and without regard to the difference between wages and standards of living here and in the competitive country.

TORQUAY COULD HAVE BEEN STOPPED

Congress should not only refuse to extend the 1934 Trade Agreements Act, but it should have passed Senate bill 1122, terminating the President's authority.

However, Mr. President, the Torquay Conference has adopted the lower tariffs and import fees arrived at by that conference, so that the bill is no longer applicable. If we had passed Senate bill 1122 before the results of the Torquay Conference were adopted, we could have saved the investors and workingmen of this country untold hardship. That can not now be done, and the substitute should be passed in place of the bill which has been reported by the Senate Finance Committee, House bill 1612.

The State Department, through the policy it has adopted under the 1934 Trade Agreements Act, has reversed a hundred-year-old policy of having tariffs and import fees as a floor under wages and investments, and based upon fair and reasonable competition. It has deliberately set out to transfer American jobs and investments to foreign nations under the one-economic-world program, and to lower our standards of living to the level of that of the Asiatic and European nations.

The dual objectives announced by the State Department are not compatible with favoring the imports of competitive nations and of preserving our own living standards. I have heard the testimony of Mr. Acheson to the effect that the State Department would probably not utilize the authority provided by House bill 1612 if it were to be passed by the Senate. The question is, Why should it, since the division of the markets of this Nation was completed at the supersecret conference at Torquay? It was kept secret, Mr. President, and the results have now been adopted.

The bilateral agreements consummated at Torquay with approximately 40 nations, on several thousand products, further reducing tariffs, will be subject to the most-favored-nations clause, making the terms of each trade agreement

available to every other nation, effective before June 12, the expiration date of the present act, even if the act is not continued.

ADOPT THE SUBSTITUTE

Mr. President, the adoption of the flexible import fee bill as a substitute for H. R. 1612 would make into law the present tariff rates as established through the operation of the Trade Agreements Act. It will not return the tariffs to the old level of the 1930 Tariff Act. By returning to congressional jurisdiction the authority of the tariff policy of the United States, Congress can regain control over those parts of the domestic economy which are regulated and controlled by the determination of tariff rates. The substitute for the pending bill will establish fair and reasonable competition between the products of domestic manufacturers and those of countries in which low wages and lower living standards make possible low-cost production. The flexible provision of the substitute provides for the orderly review of existing tariffs by a reconstituted Tariff Commission, with the title of "Foreign Trade Authority."

By adjusting tariff rates to the levels necessary for orderly marketing of domestic manufactured products, the flexible provision will bring about savings in the domestic budget by making unnecessary large expenditures for—

- (a) Agricultural subsidies;
- (b) Mining incentive payments;
- (c) Government loans to domestic enterprises for the expansion of production;
- (d) Loss of revenue through speeded-up amortization procedure.

It is a well-known fact that private investment is not forthcoming in sufficient volume for those industries whose economic health is endangered by unfair competition from low-cost imports. In other words, there has been several billions of dollars' worth of contracts which have been let in connection with certificates of necessity, so that expenditures made by investors can be written off and amortized within 5 years. Of course that kind of amortization is necessary because there is no protection, no floor under wages and investments, so it is likely that the investment would be lost at the end of the emergency. The Government loses the tax money, making it necessary to raise additional taxes, simply because there is no protection for private investments. The private investor prefers not to invest in industries which during normal times are robbed of their markets by the removal of tariff and import fees on their products.

Mr. President, American small business is against free trade, for, unlike big business, it cannot take advantage of foreign slave-labor wage rates. I should like to read from a statement which is applicable at this time:

Mr. President, it has been said that business favors free trade. What kind of business? Big business, the kind in a financial position to install branch plants in foreign low-wage countries and ship its products into this country under the free-trade program, is for free trade, for the simple reason that it can take advantage of the slave-labor wage rates abroad. On the other hand, small business, which cannot take advan-

tage of foreign cheap labor and which cannot possibly compete with the importation of slave-labor products, except by writing down the wages and investments to conform to the world standards, is against free trade while there remains a wide difference in the American standards and those abroad.

Shall Congress permit the administration to continue to undermine American business? Congress must decide whether it wants to maintain our American standard of living or continue the present administration's foreign trade policy. We can't do both; we must choose between the two.

Our standard of living is seriously threatened by foreign sweatshop labor competition, permitted and encouraged by the administration's foreign trade policy. It is idiocy to say that we can compete with foreign low-wage markets on a free-trade basis without lowering our standard of living. Through the ECA, the World Bank, and other means, we have financed the installation of the latest industrial machinery in the same foreign countries which offer us competition. The difference is that their wage rates are low and their standard of living is low. As a matter of fact, in many of the countries which are dumping their products here at prices which will close our factory doors and force American workers into unemployment, the total paid for labor is often less than is paid here for social security and insurance alone.

Any one economic-world plan will bring about a leveling of the standards of the world. Any leveling means the lowering of our American standards.

The issue is clear-cut. One must be on one side or the other.

On the one side we have the one-worlders, the starry-eyed impractical do-gooders, those who love Europe more than they love America, and big business; on the other side, we have the American workingman who wants employment and wants to maintain his standard of living, the American investor in American enterprise, the Americans who are interested in the preservation of the American way of life, and small business.

It has been brought to my attention, and rightfully so, the interest independent business has in this proposition. It has a vital stake in what may be done to reduce its position in our economy. Independent small business of this Nation, we understand, numbers approximately 4,000,000 units, all employers of labor.

The interest of small business, through their accredited spokesman, the National Federation of Independent Business, and I say accredited, because it is believed they have the largest individual membership of independent business and professional men of any business organization in the Nation, has been brought to my attention through the federation's Nation-wide poll of its members on three bills to investigate international trade agreements which are permitting foreign producers to flood American markets with low-tariff, low-priced slave-labor goods.

The association presented both sides of the question to its members. I quote from their official publication, the Mandate, Bulletin No. 158:

"Pro. Agreements reached by the United States Government with England are permitting the British producers to flood American markets with low-cost goods. This has caused great unemployment and suffering among American labor, is driving some old and respected American producers to bankruptcy, and is depriving our Government of much-needed taxes it would normally get."

"Con. These agreements promote international trade, enable foreign nations to rebuild themselves, and enable them to repay loans made to them by the United States."

It is significant to report the results of that poll. Eighty-four percent of its Nation-wide members urge Congress to investigate low-tariff international trade agree-

ments; 12 percent of its members were against the proposition; 4 percent, no vote.

More recently the organization again polled its Nation-wide membership on the proposition, and presented both sides of the story for the consideration of the membership. I quote from their official publication, the Mandate, Bulletin No. 169, both the pro and the con:

"Pro. Under present and proposed reciprocal trade treaties, increased quantities of goods from many low-wage, low-living-standard foreign countries are being dumped in the United States. As a result, many American businessmen are failing and many American workers are losing their jobs. Unless our domestic industries remain strong and their employment is maintained at a high level, there can be no continued national prosperity, and without this prosperity we cannot remain the leader of the free world we are today.

And then the contrary position:

"Con. This is a plea for our Nation to return to the old high tariff policies which have caused so much turmoil in the world. As a nation we realize we have to export in order to maintain our prosperity. But to have a healthy export business we must import. And we can't import if we boost tariffs high every time American businesses suffer. This bill places our Nation in the position of seeking the right to compete freely in foreign markets, yet of denying foreigners the same right in our own land."

It is interesting to note the result of the Nation-wide poll. Eighty percent voted to protect American businessmen and their employees from cutthroat foreign competition by dumping of foreign products on our markets by low wage, low-living-standard foreign producers; 16 percent against; 4 percent, no vote.

In the face of the opinion of independent business and professional men of this Nation, which in number is the largest single segment of our economy, and we believe is the largest employer of labor, collectively, it behooves the Congress of the United States to take a determined and definite stand on international trade.

The proper solution to the problem, in the opinion of the junior Senator from Nevada, is the establishing of a flexible import-fee principle, by which the American worker and investor would be protected against unfair slave-labor competition. It is not a question of high tariff or low tariff. Under the flexible import-fee principle, the tariff, or import fee, on goods from a given foreign country would be lowered in proportion to the raising of the standard of living in that country, and when the standard of living there approximated our own, we then would have reached the utopia of free trade.

Free trade is impossible for a prosperous America as long as there remains a wide difference in the American wage standards and those abroad.

Mr. President, I think it is time that we understand where and how we arrive at the policies of the administration in power. I intend to show that the Democratic Party has always been for free trade, that is to say, has always been for the destruction of the floor under wages and investments. In this statement, I intend to show the position of the Democratic Party on tariffs from 1856 to and including 1948.

I read an excerpt from the 1856 platform:

Resolved, That there are questions connected with the foreign policy of this country which are inferior to no domestic question whatever. The time has come for the people of the United States to declare themselves in favor of free seas and progressive free trade throughout the world, and, by

solemn manifestations, to place their moral influence at the side of their successful example.

That was in 1856. At that time the Democratic party declared for free seas and progressive free trade throughout the world.

In 1860 there was no mention of tariffs.

In 1864 there was no mention of tariffs.

In 1868 plank 6 of the platform read as follows:

And a tariff for revenue upon foreign imports.

Not a tariff based upon any fair and reasonable competition, nor a tariff for protection of the laborer and investor, nor for a platform under wages and investments, but a tariff "for revenue upon foreign imports."

In 1872 plank 6 of the Democratic platform read as follows:

And recognizing that there are in our midst honest but irreconcilable differences of opinion with regard to the respective systems of protection and free trade, we remit the discussion of the subject to the people in their Congressional districts, and to the decision of the Congress thereon, wholly free from Executive interference or dictation.

We denounce the present tariff, levied upon nearly 4,000 articles, as a masterpiece of injustice, inequality, and false pretense. It yields a dwindling, not a yearly rising revenue. It has impoverished many industries to subsidize a few. It prohibits imports that might purchase the products of American labor. It has degraded American commerce from the first to an inferior rank on the high seas. It has cut down the sales of American manufacturers at home and abroad, and depleted the returns of American agriculture—an industry followed by half our people. It costs the people five times more than it produces to the Treasury, obstructs the processes of production, and wastes the fruits of labor. It promotes fraud, fosters smuggling, enriches dishonest officials, and bankrupts honest merchants. We demand that all custom-house taxation shall be only for revenue.

Mr. President, we can begin to see where the idea springs from. The free-trade platform of the Democratic Party did not start in 1934. It started, according to the record, in 1856.

In the platform of 1880 there is no mention of tariffs.

I read from the platform of 1884:

The Democratic Party is pledged to revise the tariff in a spirit of fairness to all interests. But, in making reduction in taxes, it is not proposed to injure any domestic industries, but rather to promote their healthy growth. From the foundation of this Government, taxes collected at the customhouse have been the chief source of Federal revenue. Such they must continue to be. Moreover, many industries have come to rely upon legislation for successful continuance, so that any change of law must be at every step regardless of the labor and capital thus involved. The process of reform must be subject in the execution to this plain dictate of justice; all taxation shall be limited to the requirements of economical government. The necessary reduction and taxation can and must be effected without depriving American labor of the ability to compete successfully with foreign labor, and without imposing lower rates of duty than will be ample to cover any increased cost of production which may exist in consequence of the higher rate of wages prevailing in this country. Sufficient revenue to pay all the expenses of the Federal Government, economically administered, including pensions, in-

terest, and principal of the public debt, can be got under our present system of taxation from the customhouse taxes on fewer imported articles, bearing heaviest on articles of luxury and bearing lightest on articles of necessity. We, therefore, denounce the abuses of the existing tariff, and, subject to the preceding limitations, we demand that Federal taxation shall be exclusively for public purposes, and shall not exceed the needs of the Government, economically administered.

In other words, there was no talk of any tariff or import fee as a floor under wages and investments, or on any basis of fair and reasonable competition. The platform denounced such a tariff and import fee.

In 1888 the Democratic platform, under the head of "Tariff reform," read as follows:

Our established domestic industries and enterprises should not and need not be endangered by the reduction and correction of the burdens of taxation. On the contrary, a fair and careful revision of our tax laws, with due allowance for the difference between the wages of American and foreign labor, must promote and encourage every branch of such industries and enterprises by giving them assurance of an extended market and steady and continuous operations. In the interests of American labor, which should in no event be neglected, the revision of our tax laws contemplated by the Democratic Party should promote the advantage of such labor by cheapening the cost of necessities of life in the home of every workingman and at the same time securing to him steady and remunerative employment.

They ended up on both sides of the question that time. They were to have a tariff to safeguard a man his job and free trade in order to give him the products which he need for consumption.

Continuing:

Upon this question of tariff reform, so closely concerning every phase of our national life, and upon every question involved in the problem of good government, the Democratic Party submits its principles and professions to the intelligent suffrages of the American people.

Reduction of revenue

Resolved, That this convention hereby endorses and recommends the early passage of the bill for the reduction of the revenue now pending in the House of Representatives.

They end up on the free trade side, as usual, after playing pretty close to the rail all the way.

In 1892 the platform with respect to tariff legislation, in section 3, read as follows:

SEC. 3. We denounce Republican protection as a fraud—a robbery of the great majority of the American people for the benefit of the few. We declare it to be a fundamental principle of the Democratic Party that the Federal Government has no constitutional power to impose and collect tariff duties, except for the purposes of revenue only, and we demand that the collection of such taxes shall be limited to the necessities of the Government when honestly and economically administered.

We denounce the McKinley tariff law enacted by the Fifty-first Congress as the culminating atrocity of class legislation; we endorse the efforts made by the Democrats of the present Congress to modify its most oppressive features in the direction of free raw materials and cheaper manufactured goods that enter into general consumption, and we promise its repeal as one of the

beneficent results that will follow the action of the people in entrusting power to the Democratic Party. Since the McKinley tariff went into operation there have been 10 reductions of the wages of the laboring men to 1 increase. We deny that there has been any increase of prosperity to the country since that tariff went into operation, and we point to the dullness and distress, to the wage reductions and strikes in the iron trade, as the best possible evidence that no such prosperity has resulted from the McKinley Act.

Continuing to read from the 1892 platform of the Democratic Party:

We call the attention of thoughtful Americans to the fact that, after 30 years of restrictive taxes against the importation of foreign wealth in exchange for our agricultural surplus, the homes and farms of the country have become burdened with a real estate mortgage debt of over \$2,500,000,000, exclusive of all other forms of indebtedness; that in one of the chief agricultural States of the West there appears a real estate mortgage debt averaging \$165 per capita of the total population, and that similar conditions and tendencies are shown to exist in the other agricultural-exporting States. We denounce a policy which fosters no industry so much as it does that of the sheriff.

Reciprocity

SEC. 4. Trade interchange on the basis of reciprocal advantages to the countries participating is a time-honored doctrine of the Democratic faith, but we denounce the sham reciprocity which juggles with the people's desire for enlarged foreign markets and freer exchanges, by pretending to establish closer trade relations for a country whose articles of export are almost exclusively agricultural products, with other countries that are also agricultural, while erecting a customhouse barrier of prohibitive tariff taxes against the richest countries of the world, that stand ready to take our entire surplus of products, and to exchange therefor commodities which are necessities and comforts of life among our own people.

1896 PLATFORM

Tariff resolution

We hold that tariff duties should be levied for purposes of revenue, such duties to be so adjusted as to operate equally throughout the country, and not discriminate between class or section, and that taxation should be limited by the needs of the Government, honestly and economically administered. We denounce as disturbing to business the Republican threat to restore the McKinley law which has twice been condemned by the people in national elections, and which, enacted under the false pleas of protection to home industry, proved a prolific breeder of trusts and monopolies, enriched the few at the expense of the many, restricted trade, and deprived the producers of the great American staples of access to their natural markets.

Until the money question is settled we are opposed to any agitation for further changes in our tariff laws, except such as are necessary to meet the deficit in revenue caused by the adverse decision of the Supreme Court on the income tax. But for this decision by the Supreme Court, there would be no deficit in the revenue under the law passed by a Democratic Congress in strict pursuance of the uniform decisions of that Court for nearly 100 years, that Court having in that decision sustained constitutional objections to its enactment, which had previously been overruled by the ablest judges who have ever sat on that bench. We declare that it is the duty of Congress to use all the constitutional power which remains after that decision, or which may come from its reversal by the Court as it may hereafter be constituted, so that the burdens of taxation may be equally

and impartially laid, to the end that wealth may bear its due proportion of the expense of the Government.

1900 PLATFORM

The free list as a remedy

Tariff laws should be amended by putting the products of trusts upon the free list, to prevent monopoly under the plea of protection.

The Dingley tariff law

We condemn the Dingley tariff law as a trust-breeding measure, skillfully devised to give the few favors which they do not deserve and to place upon the many burdens which they should not bear.

1904 PLATFORM

Tariff legislation

The Democratic Party has been and will continue to be the consistent opponent of that class of tariff legislation by which certain interests have been permitted, through congressional favor, to draw a heavy tribute from the American people. This monstrous prevention of those equal opportunities which our political institutions were established to secure has caused what may once have been infant industries to become the greatest combinations of capital that the world has ever known. These especial favorites of the Government have, through trust methods, been converted into monopolies, thus bringing to an end domestic competition, which was the only alleged check upon the extravagant profits made possible by the protective system. These industrial combinations, by the financial assistance they can give, now control the policy of the Republican Party.

We denounce protection as a robbery of the many to enrich the few, and we favor a tariff limited to the needs of the Government, economically administered, and so levied as not to discriminate against any industry, class, or section, to the end that the burdens of taxation shall be distributed as equally as possible.

We favor a revision and a gradual reduction of the tariff by the friends of the masses and for the commonweal, and not by the friends of its abuses, its extortions, and its discriminations, keeping in view the ultimate ends of "equality of burdens and equality of opportunities," and the constitutional purpose of raising a revenue by taxation, to wit, the support of the Federal Government in all its integrity and virility, but in simplicity.

Again we have the announcement, in the platform of 1904, in favor of a tariff for revenue only and not of protection or a floor under wages and investments.

1908 PLATFORM

Tariff

We welcome the belated promise of tariff reform, now offered by the Republican Party, as a tardy recognition of the righteousness of the Democratic position on this question; but the people cannot safely intrust the execution of this important work to a party which is so deeply obligated to the highly protected interests as is the Republican Party. We call attention to the significant fact that the promised relief is postponed until after the coming election—an election to succeed in which the Republican Party must have that same support from the beneficiaries of the high protective tariff as it has always heretofore received from them; and to the further fact that during years of uninterrupted power no action whatever has been taken by the Republican Congress as to correct the admittedly existing tariff inequities.

We favor immediate revision of the tariff by the reduction of import duties. Articles entering into competition with trust-controlled products should be placed upon the

free list; material reductions should be made in the tariff upon the necessities of life, especially upon articles competing with such American manufactures as are sold abroad more cheaply than at home; and gradual reductions should be made in such other schedules as may be necessary to restore the tariff to a revenue basis.

Existing duties have given the manufacturers of paper a shelter behind which they have organized combinations to raise the price of pulp and paper, thus imposing a tax upon the spread of knowledge. We demand the immediate repeal of the tariff on wood pulp, print paper, lumber, timber and logs, and that those articles be placed upon the free list.

Mr. President, we had an example this afternoon of the concern over the free list when the distinguished Senator from South Carolina [Mr. JOHNSTON] indicated his worries over the wood-pulp industry in his State. I think we have finally reached the point where even some of the members of the Democratic Party realize that the only way by which our industries can exist is to have a floor under wages and investments that is represented by something, and we have gotten used to calling it a tariff or an import fee.

I read now the 1912 platform of the Democratic Party:

1912 PLATFORM

Tariff reform

We declare it to be a fundamental principle of the Democratic Party that the Federal Government, under the Constitution, has no right or power to impose or collect tariff duties except for the purpose of revenue, and we demand that the collection of such taxes shall be limited to the necessities of Government honestly and economically administered.

The high Republican tariff is the principal cause of the unequal distribution of wealth. It is a system of taxation which makes the rich richer and the poor poorer. Under its operations the American farmer and laboring man are the chief sufferers. It raises the cost of the necessities of life to them, but does not protect their product or wages. The farmer sells largely in free markets and buys almost entirely in the protected markets. In the most highly protected industries, such as cotton and wool, steel and iron, the wages of the laborers are the lowest paid in any of our industries. We denounce the Republican pretense on that subject and assert that American wages are established by competitive conditions and not by the tariff.

We favor the immediate downward revision of the existing high, and in many cases prohibitive, tariff duties, insisting that material reductions be speedily made upon the necessities of life. Articles entering into competition with trust-controlled products and articles of American manufacture which are sold abroad more cheaply than at home should be put upon the free list.

We recognize that our system of tariff taxation is intimately connected with the business of the country, and we favor the ultimate attainment of the principles we advocate by legislation that will not injure or destroy legitimate industry.

We denounce the action of President Taft in vetoing the bills to reduce the tariff in the cotton, woolen, metal, and chemical schedules and the farmer's free-list bill, all of which were designed to give immediate relief to the masses from the exactions of the trusts.

The Republican Party, while promising tariff revision, has shown by its tariff legislation that such revision is not to be in the people's interest; and having been faithless

to its pledges of 1908, it should no longer enjoy the confidence of the Nation. We appeal to the American people to support us in our demand for a tariff for revenue only.

That is a very consistent plank in the Democratic Party's platforms from 1906 to and including 1912—in other words, tariff duties for revenue only, without regard to any principle of fair and reasonable competition or a floor under wages and investments.

I read now the Democratic Party's 1916 platform:

1916 PLATFORM

Tariff

We reaffirm our belief in the doctrine of a tariff for the purpose of providing sufficient revenue for the operation of the Government economically administered and unreservedly indorse the Underwood tariff law as truly exemplifying that doctrine. We recognize that tariff rates are necessarily subject to change to meet changing conditions in the world's production and trade. The events of the last 2 years have brought about many momentous changes. In some respects their effects are yet conjectural and wait to be disclosed, particularly in regard to our foreign trade.

Two years of a war which has directly involved most of the chief industrial nations of the world and which has indirectly affected the life and industry of all nations, are bringing about economic changes more varied and far-reaching than the world has ever before experienced. In order to ascertain just what those changes may be, the Democratic Congress is providing for a nonpartisan tariff commission to make impartial and thorough study of every economic fact that may throw light either upon our past or upon our future fiscal policy with regard to the imposition of taxes on imports or with regard to the changed and changing conditions under which our trade is carried on. We cordially indorse this timely proposal and declare ourselves in sympathy with the principle and purpose of shaping legislation within that field in accordance with clearly established facts rather than in accordance with the demands of selfish interests or upon information provided largely if not exclusively, by them.

That is the first indication of any sane approach to the problem of establishing a nonpartisan tariff commission to find out what the situation really is.

I read now the 1920 Democratic Party platform:

1920 PLATFORM

The tariff

We reaffirm the traditional policy of the Democratic Party in favor of a tariff for revenue only—

Now we are back to where we began—and we confirm the policy of basing tariff revisions upon the intelligent research of a nonpartisan commission, rather than upon the demands of selfish interests, temporarily held in abeyance.

Mr. President, I misjudged the 1916 platform, where it looked as if the Democrats might be looking for a tariff that would put labor and investments in this country on a competitive basis with labor and investments in other countries. However, evidently they were looking for a way to obtain revenue from tariffs on a basis which would not affect imports—in other words, to get enough revenue, and to have a nonpartisan commission study tariffs from that standpoint, to secure from taxes on imports sufficient income to run the Government without

in any way having a floor under wages and investments—or, in short, a tariff arrangement not based upon any policy at all.

Mr. President, in that connection I may say that the Underwood tariff was in effect during World War I. The situation then was similar to the situation now, when the tariff has little or no effect, when an emergency exists, and when we are taking from the Treasury money with which to finance a war.

The war in Europe began in 1914, and we entered it in 1917. I remember that war very well, having taken to France early in 1918 a battery of field artillery. In 1914, when that war began, the Underwood tariff was in effect. At that time the war in Europe was of little or no concern to us, because the other nations of the world needed all the products they could obtain. The other nations then were purchasing the products of the United States, therefore, the low tariff then existing had no noticeable effect.

Following the war, along about 1921 or 1922, as I remember very well, a special session of Congress was called to save the economy of the United States which then was suffering because of the imports which were coming into the United States so rapidly. Unemployment was mounting in our country. So the Underwood tariff was opened—it being the tariff act in effect at that time—and tariffs were raised, in order to protect American industry and to put some kind of floor under wages and investments.

1924 PLATFORM

Tariff and taxation

The Fordney-McCumber Tariff Act is the most unjust, unscientific, and dishonest tariff tax measure ever enacted in our history.

That is the Democratic platform speaking of the Fordney-McCumber Tariff Act, and this platform was adopted in 1924. It continues:

It is class legislation, which defrauds all the people for the benefit of a few; it heavily increases the cost of living, penalizes agriculture, corrupts the Government, fosters paternalism, and, in the long run, does not benefit the very interests for which it was enacted.

We denounce the Republican tariff laws which are written in great part in aid of monopolies and thus prevent that reasonable exchange of commodities which would enable foreign countries to buy our surplus agricultural and manufactured products with resultant benefit to the tollers and producers of America. Trade interchange, on the basis of reciprocal advantages to the countries participating, is a time-honored doctrine of Democratic faith. We declare our party's position to be in favor of a tax on commodities entering the customhouses that will promote effective competition, protect against monopoly, and at the same time produce a fair revenue to support the Government.

The greatest contributing factor in the increase and unbalancing of prices is unscientific taxation. After having increased taxation and the cost of living by \$2,000,000,000, under the Fordney-McCumber tariff, all that the Republican Party could suggest in the way of relief was a cut of \$300,000,000 in direct taxes; and that was to be given principally to those with the largest incomes. Although there was no evidence of a lack of capital for investment to meet the present requirements of all legitimate industrial en-

terprises, and although the farmers and general consumers were bearing the brunt of tariff favors already granted to special interests, the administration was unable to devise any plan except one to grant further aid to the few. Fortunately, this plan of the administration failed, and, under Democratic leadership aided by progressive Republicans, a more equitable one was adopted, which reduces direct taxes by about \$450,000,000.

This followed what almost amounted to a catastrophe after World War I, when unemployment was mounting so rapidly that a special session of the Congress was called to raise the tariffs to form some kind of floor under wages and investments. We come again to this doctrine of "trade interchange, on the basis of reciprocal advantages to the countries participating, is a time-honored doctrine of Democratic faith." I continued reading:

1928 PLATFORM

Tariff

The Democratic tariff legislation will be based on the following policies:

(a) The maintenance of legitimate business and a high standard of wages for American labor.

Now we are approaching the millennium. The Democratic Party has a tariff which supports the standard of American wages. I continue:

(b) Increasing the purchasing power of wages and income by the reduction of those monopolistic and extortionate tariff rates bestowed in payment of political debts.

We are now on the other side. We are adjusting the tariffs, in order to hold a high standard of wages, and we are reducing tariffs, so that what we buy will be cheaper. That is the customary sitting on the fence. I continue:

(c) Abolition of logrolling and restoration of the Wilson conception of a fact-finding Tariff Commission, quasi-judicial and free from the Executive domination which has destroyed the usefulness of the present Commission.

(d) Duties that will permit effective competition, insure against monopoly, and at the same time produce a fair revenue for the support of Government. Actual difference between the cost of production at home and abroad, with adequate safeguard for the wage of the American laborer, must be the extreme measure of every tariff rate.

This is a departure from 58 years of the Democratic platform. They are now talking about a floor under the wages of American labor. I continue:

(e) Safeguarding the public against monopoly created by special tariff favors.

We are now getting back on the other side. I continue:

(f) Equitable distribution of the benefits and burdens of the tariff among all.

Wage earner, farmer, stockman, producer, and legitimate business in general have everything to gain from a Democratic tariff based on justice to all.

That would be a low tariff on what one would buy, a high tariff on what he would sell. It is a double standard for everybody. I continue:

1932 PLATFORM

We advocate a competitive tariff for revenue, with a fact-finding Tariff Commission free from Executive interference, reciprocal tariff agreements with other nations, and an

international economic conference designed to restore international trade and facilitate exchange.

We condemn the Hawley-Smoot tariff law, the prohibitive rates of which have resulted in retaliatory action by more than 40 countries, created international economic hostilities, destroyed international trade, driven our factories into foreign countries, robbed the American farmer of his foreign markets, and increased the cost of production.

1936 PLATFORM

Foreign policy

We shall continue to foster the increase in our foreign trade which has been achieved by this administration; to seek by mutual agreement the lowering of those tariff barriers, quotas, and embargoes which have been raised against our exports of agricultural and industrial products; but continue as in the past to give adequate protection to our farmers and manufacturers against unfair competition or the dumping on our shores of commodities and goods produced abroad by cheap labor or subsidized by foreign governments.

This was the one particular reason for the lowering of those tariff barriers, quotas, and embargoes "which have been raised against our exports of agricultural and industrial products"—abroad, presumably, and which have increased by leaps and bounds under the policy and program of our State Department within the past 18 years. I continue:

1940 PLATFORM

We shall * * * observe and advocate international respect for the rights of others and for treaty obligations; cultivate foreign trade through desirable trade agreements; and foster economic collaboration with the republics of the Western Hemisphere.

I think this is the nearest approach to what we really have, and it is to "cultivate foreign trade through desirable trade agreements, and foster economic collaboration with the republics of the Western Hemisphere." Of course, we have now forgotten the Western Hemisphere. I continue:

1944 PLATFORM

V. We shall uphold the good-neighbor policy, and extend the trade policies initiated by the present administration.

That was very short and to the point. Since that time they have been fostering and promoting the trade policies initiated by this administration. I continue:

1948 PLATFORM

We pledge ourselves to restore the reciprocal trade agreements program formulated in 1934 by the Secretary of State Cordell Hull and operated successfully for 14 years, until crippled by the Republican Eightieth Congress. Further, we strongly endorse our country's adherence to the International Trade Organization.

Mr. President, the Democratic platform now comes to the International Trade Organization which the administration has now denounced before the Senate Finance Committee. At least, the State Department has said that it will not be again suggested. But, as has been explained earlier in my address today, they are approaching it through the back door. Through the organization known as GATT they have adopted the important Commercial Policy Chapter of the International Trade Organization Charter. They adopted it inso-

far as it can be adopted without special legislation by Congress, but warning has been given Congress that legislation will be proposed to make it effective.

It will be remembered that earlier in my address I pointed out six sleepers in proposed legislation introduced last year and again in the Eighty-second Congress, to simplify customs regulations; the idea of simplification being that we adopt the remainder of chapter IV on Commercial Policy of the International Trade Organization Charter.

Mr. President, I have been informed that the tariff schedule to which I have referred cannot be printed in the Appendix, so I ask unanimous consent that it be printed in the body of the RECORD at the conclusion of my address.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

(At this point Mr. MALONE yielded to Mr. MCCARTHY for the submission of

a unanimous-consent request to insert certain matters in the RECORD, which, on request of Mr. MALONE, and by unanimous consent, were ordered to be printed at the conclusion of his speech.)

Mr. GEORGE. Mr. President, may I ask whether the Senator from Nevada desires to conclude his first speech on this matter tonight?

Mr. MALONE. I might complete the first speech tonight.

Mr. GEORGE. If the Senator from Nevada desires, we will proceed, Mr. President, if the speech can be completed at any reasonably early hour. The Senator may again speak on this amendment. He has some 10 or 11 other amendments on which he can speak, so there will be no lack of opportunity for him to speak.

Mr. MALONE. It makes little difference; and if the distinguished Senator would like to recess until tomorrow, with the understanding that the Senator from Nevada will have the floor—

Mr. GEORGE. No; if the Senator wishes to continue it is quite agreeable to me. I am not too well, but I will remain.

Mr. MALONE. I do not like to continue, in consideration of the Senator's statement. If someone else would take the place of the distinguished Senator from Georgia, I should feel much better about it.

Mr. President, I now conclude my first speech, for the reason just stated.

MALONE EXHIBIT 1

TABULATION OF ITEMS ON WHICH THE UNITED STATES GRANTED TARIFF CONCESSIONS AT TORQUAY

The following tabulation shows each item, identified by tariff paragraph and statistical class, on which the United States granted a concession at Torquay; the rate of duty before the concession was made and the rate afterward; the country or countries with which each concession was initially negotiated; and the value of United States imports for consumption in 1949 of each of the concession items:

Tariff paragraph	Commodity description	Rate of duty		Torquay negotiating country	Total United States imports for consumption, 1949
		Jan. 1, 1951	Under Torquay Agreement		
	SCHEDULE 1—CHEMICALS, OILS, AND PAINTS				Thous. of dol.
1	Acetic or pyrolineous acid containing by weight more than 65 percent acetic acid.	3⁄4¢ lb.	5⁄8¢ lb.	Canada	591
	Chloroacetic acid (include mono- and trichloroacetic acid)	21⁄4¢ lb.	11⁄4¢ lb.	Canada	9
	Citric acid	17¢ lb.	81⁄2¢ lb.	Canada	
	Formic acid	3¢ lb.	25⁄8¢ lb.	Germany	
	Lactic acid containing by weight of lactic acid:				
	Less than 30 percent	2¢ lb.; 25% min.	1¢ lb.; 121⁄2% min.	Benelux	
	30 percent, but less than 55 percent	4¢ lb.; 25% min.	2¢ lb.; 121⁄2% min.		
	55 percent or more	9¢ lb.; 25% min.	41⁄4¢ lb.; 121⁄2% min.		
	Oxalic acid	6¢ lb.	43⁄8¢ lb.	Germany	
	Phosphoric acid	2¢ lb.	1¢ lb.	Canada	(1)
	All other acids and acid anhydrides n. s. p. f.:				
	Naphthenic acids:				
	Liquid	25% plus 1⁄4¢ gal. I. R. tax.	61⁄2% ³ plus 1⁄4¢ gal. I. R. tax.	Benelux	439
	Solid	25%	61⁄2% ³	Benelux	
	Acids and acid anhydrides, n. e. s.	25% plus 3¢ lb. (or 41⁄2¢ lb.) I. R. tax. ⁴	121⁄2% plus 11⁄2¢ lb. (or 21⁄4¢ lb.) I. R. tax. ⁴	Canada	1
2	Acetylene, butylene, ethylene, and propylene derivatives (except vinyl acetate and synthetic resins made in chief value therefrom):				
	Acetylene derivatives:				
	Acetaldehyde	6¢ lb. plus 30%	3¢ lb. plus 15%	Canada	(1)
	Aldol or acetal	6¢ lb. plus 30%	3¢ lb. plus 15%	Canada	
	Butyraldehyde and crotonaldehyde	6¢ lb. plus 30%	3¢ lb. plus 15%	Canada	
	Paracetaldehyde or paraldehyde	6¢ lb. plus 30%	3¢ lb. plus 15%	Canada	
	Homologues, polymers, ethers, esters, salts, and nitrogenous compounds and mixtures of one or more acetylene derivatives, n. s. p. f.	6¢ lb. plus 30%	3¢ lb. plus 15%	Canada	(1)
	Butylene, ethylene, and propylene derivatives:				
	Butylene chlorohydrin, dichloride, glycol, and oxide	6¢ lb. plus 30%	3¢ lb. plus 15%	Canada	
	Ethylene chlorohydrin, diamine, dichloride, glycol, and oxide	6¢ lb. plus 30%	3¢ lb. plus 15%	Canada	(1)
	Glycol monacetate	6¢ lb. plus 30%	3¢ lb. plus 15%	Canada	
	Propylene chlorohydrin, dichloride, glycol, and oxide	6¢ lb. plus 30%	3¢ lb. plus 15%	Canada	
	Ethanolamine, mono-, di-, tri-, and all other hydroxy alkyl amines and alkylene diamines	6¢ lb. plus 30%	3¢ lb. plus 15%	Canada	132
	Allyl, crotonyl, vinyl, and other olefin or unsaturated alcohols	6¢ lb. plus 30%	3¢ lb. plus 15%	Canada	68
	Artificial mustard oil	6¢ lb. plus 30%	3¢ lb. plus 15%	Germany	
	All other glycols or dihydric alcohols, n. e. s.	6¢ lb. plus 30%	3¢ lb. plus 15%	Canada, Germany	
	Homologues, polymers, ethers, esters, salts, and nitrogenous compounds and mixtures of one or more butylene, ethylene or propylene derivatives, n. s. p. f.	6¢ lb. plus 30%	3¢ lb. plus 15%	Canada	290
	Ethylene dibromide	6¢ lb. plus 30%	3¢ lb. plus 15%	Germany	
3	Acetone, ethyl methyl ketone, and their homologues, and acetone oil	20%	10%	Canada	
4	Mixtures of amyl, butyl, hexyl or propyl alcohols or fusel oil	6¢ lb.	3¢ lb.	Benelux	(1)
5	Salts derived from vegetable oils, animal oils, fish oils, animal fats and greases, n. e. s., or from fatty acids thereof	25% plus 3¢ lb. (or 41⁄2¢ lb.) I. R. tax. ⁴	121⁄2% plus 11⁄2¢ lb. (or 21⁄4¢ lb.) I. R. tax. ⁴	Canada, Germany	
	Fatty alcohols and fatty acids sulphated, n. e. s., salts of fatty acids sulphated, n. e. s.	121⁄2% ⁴	121⁄2% ⁴	Canada, Germany	1
	Nicotine and nicotine sulfate	25%	121⁄2%	Canada, Germany	
	All alkaloids, salts, and derivatives, n. e. s.	25%	121⁄2%	Canada, Germany	30
	Derivatives of barbituric acid, n. e. s.	25%	121⁄2%	Canada, Germany	(1)
	Ergot derivatives (ergosterol, ergosterin)	25%	121⁄2%	Canada, Germany	18
	Urine concentrates and derivatives	25%	121⁄2%	Germany	
	Solutions of urine concentrates and derivatives	121⁄2%	121⁄2%	Germany	
	Vitamins and vitasterols:				
	Of animal origin	121⁄2%	121⁄2%	Germany	35
	Other	121⁄2%	121⁄2%	Germany	2
	Eucalyptol, n. e. s.	121⁄2%	121⁄2%	Germany	
	Medicinal preparations of vegetable origin (chrysarobin, papain, digitalin, etc.)	25%	121⁄2%	Canada, Germany	13
	Medicinal preparations of animal origin (ox-gall, bile compounds, gland extracts, etc.)	121⁄2%	121⁄2%	Germany	85

Footnotes at end of table.

Tariff paragraph	Commodity description	Rate of duty		Torquay negotiating country	Total United States imports for consumption, 1949
		Jan. 1, 1951	Under Torquay Agreement		
SCHEDULE 1—CHEMICALS, OILS, AND PAINTS—continued					
5	Medicinal preparations n. s. p. f. not containing alcohol (except Haarlem oil)	25%	12½%	Canada, Germany	378
	Salts and compounds of gluconic acid and combinations and mixtures of any of the foregoing; ergotamine tartrate, n. s. p. f.	15%	12½%	Canada, Germany	8
	Ammonium sulfoeyanate or thiocyanate	12½%	12½%	Germany	(1)
	Ammonium compounds, n. e. s. (except ammonium silico-fluoride):				
	Ammonium-chrome alum	12½%	12½%	Germany	7
	Other	25%	12½%	Canada, Germany	
	Barium sulfide	25%	12½%	Canada, Germany	
	Barium compounds, n. e. s.	12½%	12½%	Germany	8
	Magnesium salts and compounds, n. s. p. f.	12½%	12½%	Germany	8
	All potash salts, n. s. p. f.	12½%	12½%	Germany	20
	Sodium compounds:				
	Alginate	20%	12½%	Canada, Germany	8
	Other, n. s. p. f.	25%	12½%	Canada, Germany	119
	Laundry sour containing not less than 20 percent of sodium silico-fluoride and not less than 10 percent of oxalic acid, n. s. p. f.	15%	12½%	Canada, Germany	
	Chemicals elements, compounds, mixtures, salts, n. s. p. f. and not containing alcohol:				
	Beryllium, oxide or carbonate	12½%	12½%	Canada, Germany	(1)
	Tellurium compounds	12½%	12½%	Germany	
	Caesium chloride, zinc arsenate and wood impregnating materials, containing salts of arsenic or salts of chromium, or both.	12½%	12½%	Germany	5
	"Other" (except textile assistants)	25%	12½%	Canada, Germany	2,365
6	Ammonium aluminum sulphate or ammonia alum	3½¢ lb.	3½¢ lb.	France	
7	Ammonium perchlorate	1¢ lb.	3½¢ lb.	France	
9	Ammonium phosphate (not fertilizer)	1½¢ lb.	3½¢ lb.	Canada	(1)
9	Argols, tartar, and wine lees, containing 90 percent or more of potassium bitartrate.	5¢ lb.	2½¢ lb.	France	
10	Balsams, crude, not containing alcohol:				
	Copaiba	5%	2½%	Brazil	40
	Fir or Canada	5%	2½%	Canada	18
12	Barium compounds:				
	Carbonate, precipitated	1½¢ lb.	1½¢ lb.	Germany	
	Chloride	2¢ lb.	1½¢ lb.	Germany	(1)
	Dioxide	6¢ lb.	4½¢ lb.	Germany	
	Hydroxide	1½¢ lb.	1½¢ lb.	Germany	
	Nitrate (not fertilizer grade)	2¢ lb.	1¢ lb.	Germany	8
	Oxide	2½¢ lb.	2¢ lb.	Germany	
15	Theobromine	40¢ lb.	32½¢ lb.	Benelux	326
18	Tetrachloroethane	30%	15%	France	
21	Trichloroethylene	10%	7½%	France	2
21	Chemical compounds, mixtures, and salts, of which gold, platinum, rhodium, or silver are chief value.	25%	12½%	Canada	6
23	Preparations in capsules, pills, tablets, lozenges, troches, ampoules, juices, or similar forms, including powders, noncoal-tar:				
	Medicinals:				
	Of animal origin	12½% min. ¹⁰	12½% min.	Canada	135
	Eucalyptal, n. e. s.	12½% min.	12½% min.	Canada	
	"Other" (except Haarlem oil)	25% min.	12½% min.	Canada	316
	Salts and compounds of gluconic acid, and combinations and mixtures of any of the foregoing; ergotamine tartrate, n. s. p. f.	15% min.	12½% min.	Canada	152
	Nonmedicinals:				
	Selenium dioxide and tellurium compounds	12½% min. ¹²	12½% min.	Canada	
	Chemicals, drugs, and similar substances	25% min.	12½% min.	Canada	10
24	Extracts for dyeing, coloring, or staining, containing alcohol:				
	20 percent or less	20¢ lb. plus 25%	20¢ lb. plus 12½%	Canada	
	Over 20 and not over 50 percent	40¢ lb. plus 25%	40¢ lb. plus 12½%	Canada	
	Over 50 percent	80¢ lb. plus 25%	80¢ lb. plus 12½%	Canada	
	Brewers' yeast, alcoholic (containing 20 percent or less alcohol)	20¢ lb. plus 25% ¹⁴	20¢ lb. plus 12½%	Canada	1
	Flavoring extracts, fruit flavors, esters, oils, and essences, containing alcohol:				
	20 percent or less	15¢ lb. plus 18%	15¢ lb. plus 9%	Benelux	3
	More than 20 and not more than 50 percent	30¢ lb. plus 18%	30¢ lb. plus 9%	Benelux	10
	More than 50 percent	60¢ lb. plus 18%	60¢ lb. plus 9%	Benelux	(1)
26	Chloral hydrate	20%	17½%	Canada	
	Thymol, n. e. s. (except thymol obtained or derived from eucalyptus oil)	35%	17½%	Germany	1
27 (a)	Coal-tar intermediates (except phthalic anhydride, anthracene, phenol, cresols, naphthalene, azoic components and textile assistants) and finished coal-tar products.	7¢ lb. plus 40%	3½¢ lb. plus 25%	Germany	426
	Anthracene, 30 percent or more pure	7¢ lb. plus 40%	3½¢ lb. plus 20%	Germany	
	Azo, salts (including diazo salts, levamine salts, and variamine blue salts).	7¢ lb. plus 40%	3½¢ lb. plus 20%	Germany	8
	Fast color bases	7¢ lb. plus 40%	3½¢ lb. plus 20%	Germany	(1)
	Fast color salts	7¢ lb. plus 40%	3½¢ lb. plus 20%	Germany	1
28 (a)	Naphthol AS and derivatives	7¢ lb. plus 40%	3½¢ lb. plus 20%	Germany	
28 (a)	Ink powder	7¢ lb. plus 45%	3½¢ lb. plus 22½%	Benelux	
28 (a)	Acetanilide, acetphenetidine, acetylsalicylic acid, and other coal-tar medicinals (except 2-henzyl-4, 5-imidazoline hydrochloride, methylphenethylhydantoin, phenylbenzyl-aminomethyl imidazoline hydrochloride, and all other medicinals derived from imidazoline or hydantoin; and except diethylamino-acetoxylicide or xylocaine).	7¢ lb. plus 45%	3½¢ lb. plus 25%	Germany, France	6186
	Sodium heuozate	7¢ lb. plus 45%	3½¢ lb. plus 25%	Germany	
	Styrene	7¢ lb. plus 45%	3½¢ lb. plus 22½%	Canada	61
	Synthetic phenolic resin and all resinlike products prepared from any article provided for in pars. 27 and 1651.	7¢ lb. plus 45%	3½¢ lb. plus 22½%	Canada	156
	Vanillin	7¢ lb. plus 45%	3½¢ lb. plus 22½%	Canada	7
29	Coal-tar compounds:				
	Oxide	10¢ lb.	5¢ lb.	Benelux	385
	Sulfate	5¢ lb.	2½¢ lb.	Benelux	
	Linoleate	10¢ lb.	5¢ lb.	Benelux	
30	Colloid and other liquid solutions of pyroxylin, of other cellulose esters or ethers, or of cellulose.	30¢ lb.	15¢ lb.	Denmark	1

Footnotes at end of table.

Tariff paragraph	Commodity description	Rate of duty		Torquay negotiating country	Total United States imports for consumption, 1949
		Jan. 1, 1951	Under Torquay Agreement		
	SCHEDULE 1—CHEMICALS, OILS, AND PAINTS—Continued				Thous. of dol.
31 (a) (1)	Cellulose acetate, and compounds, combinations, or mixtures (except of acrylic resins), not made into finished or partly finished articles:				
	Sheets.....	25¢ lb.	12½¢ lb.	Canada	(1)
	Powder or flakes.....	25¢ lb.	12½¢ lb.	Canada	(1)
	Blocks, rods, tubes, briquets, or other forms, n. e. s.....	25¢ lb.	12½¢ lb.	Canada	6
	Waste.....	25¢ lb.	12½¢ lb.	Canada	
31 (b) (1)	All compounds of cellulose (except cellulose acetate) not made into finished or partly finished articles:				
	Transparent sheets more than 3/1000 inch and not more than 3/1000 inch in thickness:				
	Of pyroxylin, and compounds, combinations or mixtures of which pyroxylin is the component material of chief value.	25¢ lb.	22½¢ lb.	Sweden	
	Other.....	30¢ lb.	22½¢ lb.	Sweden	
	Other forms:				
	Of pyroxylin, and compounds, combinations or mixtures of which pyroxylin is the component material of chief value.	25¢ lb.	20¢ lb.	Sweden	
	Other:				
	Sheets, n. e. s.....	30¢ lb.	20¢ lb.	Sweden	
	Rods.....	30¢ lb.	20¢ lb.	Sweden	
	Tubes.....	30¢ lb.	20¢ lb.	Sweden	
	Other.....	30¢ lb.	20¢ lb.	Sweden	
31 (b) (2)	Manufactures of transparent sheets, bands, and strips not exceeding 3/1000 inch in thickness of cellulose film, cellulose (except cellulose acetate) chief value.	50%	25%	France	42
	Smokeless powder.....	60%	30%	Canada	2
1 (c)	Sheets, hands, and strips of transparent cellulose film exceeding 1 inch in width, but not exceeding 3/1000 inch in thickness, made from cellulose, except cellulose acetate.	45%	22½%	Germany	3
34	Drugs of animal origin, advanced in value:				
	Fish oils, n. e. s.....	5%+1½¢ lb. I. R. tax	5%+1½¢ lb. I. R. tax	Canada	74
	Halibut-liver oil.....	10%	5%	Canada	106
	Drugs of animal origin.....	5%	5%	Canada	2,003
35	Drugs advanced in value:				
	Pyrethrum or insect flowers.....	5%	2½%	Peru	
	Derris root and tuha or tube root.....	5%	2½%	Peru	
	Cube (timbo or barbasco) root.....	5%	2½%	Peru	183
36	Coca leaves.....	5¢ lb.	2½¢ lb.	Peru	78
37	Ethers and esters containing not more than 10 percent alcohol:				
	Diethyl sulfate and dimethyl sulfate.....	25%	12½%	France	
	Ethyl chloride.....	15¢ lb.	7½¢ lb.	Canada	
	Ethyl ether (or sulfuric ether).....	4¢ lb.	2¢ lb.	Canada	
	Ethers and esters, n. s. p. f.....	25%	12½%	Germany	12
38	Extracts for dyeing, coloring, or staining:				
	Chlorophyll.....	15%	7½%	Canada	(1)
	Logwood.....	10%	7½%	France	11
	Tanning extracts:				
	Hemlock, chestnut, and divi-divi.....	15%	7½%	Italy	1
	Valonia.....	34%	3½%	Turkey	85
39	Flavoring extracts, fruit flavors, esters, oils, and essences, not containing alcohol.	10%	7½%	Benelux	69
40	Formaldehyde solution or formalin.....	1½¢ lb.	¾¢ lb.	Benelux	
	Formaldehyde, solid, or paraformaldehyde.....	8¢ lb.	4¢ lb.	Canada	
41	Gelatin, edible:				
	Valued less than 40 cents per pound.....	2½¢ lb. plus 10%	2¢ lb. plus 10%	Benelux	72
	Valued more than 40 cents per pound:				
	Photographie.....	7¢ lb. plus 20%	5¢ lb. plus 15%	France, Germany	39
	Other.....	7¢ lb. plus 20%	5¢ lb. plus 15%	France, Germany	3
	Agar agar.....	25%	18%	Korea	471
	Pectin.....	25%	12½%	Canada	(1)
	Casein glue.....	30%	15%	Canada	(1)
	Glue, animal, n. s. p. f., valued less than 40 cents per pound.....	2½¢ lb. plus 10%	2¢ lb. plus 10%	Germany	43
43	Ink and ink powders, n. s. p. f.:				
	Printing and lithographic.....	10%	5%	Canada	6
	Writing and copying.....	10%	5%	Canada	2
	Other.....	10%	5%	Canada	11
	Drawing ink.....	15%	7½%	Canada	7
44	Iodine, resublimed.....	10¢ lb.	5¢ lb.	Korea	(1)
46	Lead compounds:				
	Acetate white.....	2½¢ lb.	1½¢ lb.	Canada	
	Acetate, brown, gray, or yellow.....	2¢ lb.	1¢ lb.	Canada	
	Nitrate.....	3¢ lb.	1½¢ lb.	Germany	
	Arsenate.....	3¢ lb.	1½¢ lb.	Canada	
	Resinate.....	3¢ lb.	1½¢ lb.	Canada	
47	Licorice extract in paste, rolls, or any other form.....	15%	12½%	Turkey	133
49	Magnesium compounds:				
	Manufactures of carbonate of magnesia.....	2¢ lb.	1¢ lb.	Canada	
	Sulphate (Epson salts).....	¾¢ lb.	¾¢ lb.	Germany	10
50	Manganese borate and resinate.....	20%	12½%	Benelux	
52	Animal and fish oils, fats, and greases:				
	Seal oil.....	3¢ gal. plus 2.7¢ lb., I. R. tax	3¢ gal. plus 1½¢ lb., I. R. tax	Canada	2
	Other animal and fish oils, fats, and greases, n. s. p. f.:				
	Marine-animal and fish oils, n. s. p. f. (except shark and dogfish oil and shark-liver oil and dogfish-liver oil).	20% plus 3¢ lb., I. R. tax	10% plus 1½¢ lb., I. R. tax	Canada	3
	Animal oils and fats, n. e. s., edible (includes edible chicken fat).	20%	10%	Canada	(1)
	Animal oils, n. s. p. f., inedible (except neatsfoot oil).	10% plus 2.7¢ lb., I. R. tax	10% plus 1½¢ lb., I. R. tax	Canada	
	Animal fats and greases, n. s. p. f.....	10% plus 2.7¢ lb., I. R. tax	10% plus 1½¢ lb., I. R. tax	Canada	(1)
53	Rapeseed (colza) oil, n. e. s. (not denatured).....	6¢ gal. plus 4½¢ lb., I. R. tax ¹⁵	5½¢ gal. plus 2½¢ lb., I. R. tax ¹⁵	Canada	
	Expressed or extracted vegetable oils, n. s. p. f.:				
	Corn or maize oil, edible.....	3¢ lb., 10% min., 20% max.	10%	Benelux	
	Expressed or extracted oils, n. e. s., edible.....	20% ¹⁰	10% ¹⁰	Canada	(1)
	Expressed and extracted oils, n. s. p. f.....	20%	10%	Canada	
55	Alizarin assistant, Turkey red oil, sulphonated oil, soaps, containing castor oil, and all soluble greases used in processes of softening, dyeing, or finishing.	35% ⁴	17½% ⁴	Germany	(1)

Footnotes at end of table.

Tariff paragraph	Commodity description	Rate of duty		Torquay negotiating country	Total United States imports for consumption, 1949 Thous. of dol.
		Jan. 1, 1951	Under Torquay Agreement		
	SCHEDULE 1—CHEMICALS, OILS, AND PAINTS—continued				
58	Essential or distilled oils, not containing alcohol:				
	Clove	7½%	6¼%	France	36
	Patchouli	12½%	6¼%	Indonesia	167
	Other, n. s. p. f. (except vetiver):				
	Camphor oil (artificial sassafras oil)	25%	6¼% ³	France	105
	Cajeput	7½%	6¼%	France, Indonesia	3
	Cedar-leaf	7½%	6¼%	France	3
	Fennel	7½%	6¼%	France	3
	Ho	25%	6¼% ³	France	18
	Juniper	7½%	6¼%	France	12
	Orris	7½%	6¼%	France	24
	Pine needle	7½%	6¼%	France	18
	Guaiac wood	7½%	6¼%	France	56
	Guayacan, essence of	7½%	6¼%	France	
	Other (including natural sassafras and rosewood)	7½%	6¼%	France	598
59	Opium, containing 8.5 percent and over of anhydrous morphine, crude.	\$18 lb. of anhydrous morphine content; \$1.80 lb. of opium, min.; \$3 lb. of opium, max.	\$9 lb. of anhydrous morphine content; \$0.90 lb. of opium, min.; \$1.50 lb. of opium, max.	Turkey	2,324
60	All mixtures containing essential or distilled oils, or natural or synthetic odoriferous or aromatic substances, not marketable as perfumery, cosmetics, or toilet preparations and not containing more than 10 percent of alcohol.	30¢ lb. plus 20%	20¢ lb. plus 15%	France	1,032
61	Perfumery, including cologne:				
	Containing alcohol	30¢ lb. plus 20%	20¢ lb. plus 18¾%	France	1,121
	Not containing alcohol	20%	18¾%	France	22
	Toilet waters:				
	Containing alcohol	30¢ lb. plus 20%	20¢ lb. plus 18¾%	France	86
	Not containing alcohol	20%	18¾%	France	3
	Articles of perfumery, whether in sachets or otherwise, and all preparations used as applications to the hair, mouth, teeth, or skin, such as cosmetics, dentrifices, tooth soaps, pastes, theatrical grease paints, pomades, powders, and other toilet preparations:				
	Containing alcohol	30¢ lb. plus 20%	20¢ lb. plus 18¾%	France	52
	Not containing alcohol	20%	18¾%	France	46
63	Phosphorus	8¢ lb.	4¢ lb.	Canada	(1)
	Phosphorus oxychloride	6¢ lb.	3¢ lb.	Canada	1
65 (a)	Artists', school, students', or children's paints or colors, not exceeding 1½ pounds each, net weight, assembled in paint sets, etc.	50%	35%	Germany	23
66	Chemical pigments, n. s. p. f.	25%	12½%	Norway	61
	Mineral-earth pigments, n. s. p. f. (except Vandyke brown or Cassel earth or Cassel brown).	25%	12½%	Canada	1
67	Blanc fixe or precipitated barium sulphate	1¼¢ lb.	¾¢ lb.	Germany	(1)
	Barytes ore:				
	Crude	\$3.50 ton	\$3 ton	Canada	193
	Ground or manufactured	\$7.50 ton	\$6.50 ton	Canada	2
68	Blue pigments and all blues containing iron ferrocyanide or ferriyanide (including bleaches, Prussian, Chinese, and Berlin blues).	5¢ lb.	4¢ lb.	Benelux	2
69	Decolorizing, deodorizing, or gas-absorbing chars or carbons, whether or not activated, and all activated chars and carbons.	25%	22½%	Benelux	1
70	Chrome yellow, green (chromic oxide), and other chromium colors	25%	12½%	Germany	1
71	Lampblack	20%	10%	Germany	
	Black pigments, n. s. p. f. (not including gas or carbon black and acetylene black).	20%	10%	Germany	1
72	Lead pigments:				
	Litharge	2¼¢ lb.	1¼¢ lb.	Canada	40
	White lead (basic carbonate)	2¼¢ lb.	1¼¢ lb.	Canada	73
73	Synthetic iron-oxide and iron-hydroxide pigments n. s. p. f.	15%	10%	Canada	120
78	Potassium compounds:				
	Ferrocyanide or yellow prussiate of potash	3¢ lb.	2¢ lb.	Benelux	
	Bromide	10¢ lb.	5¢ lb.	Benelux	
	Bicarbonate	1½¢ lb.	1¢ lb.	Germany	2
81	Sodium compounds:				
	Ferrocyanide (yellow prussiate)	1½¢ lb.	1¢ lb.	Benelux	
	Phosphate (except pyro phosphate) containing by weight:				
	Less than 45 percent of water	1½¢ lb.	¾¢ lb. ³	Benelux	
	45 percent or more of water	¾¢ lb.	¾¢ lb. ³	Benelux	
	Sulphate, anhydrous	\$3 ton	\$1.50 ton	Germany	5
	Sulphite	¾¢ lb.	¾¢ lb.	Germany	(1)
	Bisulphite, and metabisulphite	¾¢ lb.	¾¢ lb.	Germany	(1)
	Thiosulphate (hyposulphite)	¾¢ lb.	¾¢ lb.	Germany	(1)
83	Rice starch	1¢ lb.	¾¢ lb.	Benelux	18
	Wheat starch	1¢ lb.	¾¢ lb.	Benelux	8
84	Dextrine made from potato starch or potato flour	1¢ lb.	¾¢ lb.	Benelux	77
	Dextrine, n. s. p. f., dextrine substitutes, burnt starch or British gum, and soluble or chemically treated starch.	1¼¢ lb.	1¼¢ lb.	Benelux	32
85	Strontium:				
	Carbonate, precipitated, and oxide	25%	12½%	Germany	6
	Nitrate	25%	12½%	Germany	
86	Strychnine alkaloid, sulfate, and salts n. s. p. f.	20¢ oz.	10¢ oz.	Canada	(1)
87	Thorium nitrate, thorium oxide (thoria), and other salts, n. s. p. f., and gas-mantle scrap.	35%	30%	Brazil	
	Cerium compounds	35%	30%	Brazil	
88	Tin bichloride, tin tetrachloride, and other chemical compounds, mixtures, and salts, tin chief value.	25%	12½%	Canada	1
92	Vanilla beans	15¢ lb.	7¼¢ lb.	France	3,491
93	Zinc chloride	¾¢ lb.	65/100¢ lb.	Benelux	3
	Zinc sulphate (white vitriol)	¾¢ lb.	3/10¢ lb. ³	Benelux	6
94	Collodion emulsion, liquid and solid forms	25%	18¾%	Germany	
95	Azides, fulminates, fulminating powders, and like articles	12½¢ lb.	10¢ lb.	Canada	
97	Tar and pitch of wood and tar oil from wood	1¢ lb.	½¢ lb.	Canada	(1)

Footnotes at end of table.

Tariff paragraph	Commodity description	Rate of duty		Torquay negotiating country	Total United States imports for consumption, 1949
		Jan. 1, 1951	Under Torquay Agreement		
	SCHEDULE 2—EARTHS, EARTHENWARE, AND GLASSWARE				Thous. of dol.
201 (h)	Brick, n. s. p. f., not glazed, enameled, etc.	\$1.00 M.	\$0.50 M.	Canada	94
202 (a)	Floor and wall tiles, not wholly or in part of cement, valued at not more than 40 cents per square foot:				
	Ceramic mosaics:				
	Valued at not more than 28½¢ square foot	7¢ sq. ft.; 35% min.; 49% max.	5¢ sq. ft.; 25% min.; 35% max.	Benelux	3
	Valued at more than 28½¢ square foot	10¢ sq. ft.; 30% min.	5¢ sq. ft.; 25% min.; 35% max.	Italy	24
	"Other," unglazed	10¢ sq. ft.; 30% min.; 70% max.	5¢ sq. ft.; 25% min.; 35% max.	Italy	14
	"Other," glazed	10¢ sq. ft.; 30% min.; 70% max.	5¢ sq. ft.; 25% min.; 35% max.	Italy	14
	Floor and wall tiles, wholly or in part of cement:				
	Valued at not more than 40 cents per square foot	10¢ sq. ft.; 50% min.; 70% max.	4¢ sq. ft.; 20% min.; 28% max. ³	Italy	19
	Valued at more than 40 cents per square foot	60% ³	24% ³	Italy	4
204	Magnesite, dead burned and grain, and periclase	23/40¢ lh.	23/60¢ lh.	Austria	182
205 (e)	Manufactures (other than statues, statuettes, and bas-reliefs) of which plaster of paris is the component material of chief value, n. s. p. f.	35%	17½%	Canada	7
207	Clay, Gross-Almerode:				
	Unwrought and unmanufactured	\$1 ton	50¢ ton	Germany	7
	Wrought or manufactured	\$2 ton	\$1 ton	Germany	
	Clays and earths, n. s. p. f.:				
	Unwrought and unmanufactured	\$1 ton	50¢ ton	Germany	18
	Wrought or manufactured	\$2 ton	\$1 ton	Germany	(¹)
207	Bentonite:				(¹)
	Unwrought and unmanufactured	75¢ ton	37½¢ ton	Canada	
	Wrought or manufactured	\$1.625 ton	81¼¢ ton	Canada	
	Feldspar, crude	25¢ ton	12½¢ ton	Canada	108
	Clays or earths artificially activated with acid or other material	¼¢ lh. plus 30%	¼¢ lh. plus 15%	Germany	1
	Silica, crude, n. s. p. f.	\$3.50 ton	\$1.75 ton	Canada	
	Flourspar, containing above 97 percent of calcium fluoride	\$5.60 ton	\$2.10 ton ³	Canada	493
208 (g)	Phlogopite (amher) waste and scrap, valued not more than 5 cents per pound.	15%	12½%	Canada	6
208 (h)	Mica, ground or pulverized	15%	12½%	Canada	17
209	Talc, steatite, or soapstone, ground, washed, powdered, or pulverized (except toilet preparations), valued not over \$14 per ton.	10%	8¾%	Canada	42
210	Common yellow, brown, red, or gray earthenware and manufactures of, composed of a body wholly of clay which is unwashed, unmixed, and not artificially colored, n. s. p. f., and common salt-glazed stoneware:				
	Not ornamented, not decorated, etc.	15%	5% ³	Benelux	6
	Ornamented, decorated, etc.	20%	5% ³	Benelux	5
211	Earthenware (nonvitrified) and stoneware table and kitchen articles:				
	Plain white, yellow, brown, etc.:				
	Plates, not over 6½ inches in diameter and valued at 75 cents or more per doz., or over 6½ hut not over 8½ inches in diameter and valued at 90¢ or more per doz., or over 8½ hut not over 9½ inches in diameter and valued at \$1.30 or more per doz., or over 9½ inches in diameter and valued at \$1.55 or more per doz.; cups valued at \$1 or more per doz.; saucers valued at 55 cents or more per doz.; and other articles valued at \$2 or more per doz.	10¢ doz. plus 45%	10¢ doz. plus 25%	Italy	46
	Other (i. e. valued at less than the value specified above in respect to the like article).	10¢ doz. plus 45%	10¢ doz. plus 45%	Italy	
	Having a body composed wholly of clay:				
	Plates, not over 6½ inches in diameter and valued at 75 cents or more per doz., or over 6½ hut not over 8½ inches in diameter and valued at 90¢ or more per doz., or over 8½ hut not over 9½ inches in diameter and valued at \$1.30 or more per doz., or over 9½ inches in diameter and valued at \$1.55 or more per doz.; cups valued at \$1 or more per doz.; and saucers valued at 55 cents or more per doz.	10¢ doz. plus 50%	10¢ doz. plus 20% ³	Italy	63 1,000
	Other articles (other than plates, cups, and saucers) valued at \$2 or more per doz. pieces.	10¢ doz. plus 50%	10¢ doz. plus 25%	Italy	
	Articles valued at less than the value specified above in respect to the like article.	10¢ doz. plus 50%	10¢ doz. plus 45%	Italy	
	Having a body not wholly of clay:				
	Articles valued at less than the value specified above in respect to the like article.	10¢ doz. plus 50%	10¢ doz. plus 45%	Italy	63 400
211	Earthenware (nonvitrified) and stoneware and manufactures of, n. s. p. f. (other than table and kitchen articles):				
	Plain white, yellow, brown, etc.:				
	Having a body not artificially colored, and composed wholly of clay:				
	Valued \$10 or more per dozen	10¢ doz. plus 45%	5¢ doz. plus 25%	Benelux, Italy	63 15
	Valued \$3 or more, but less than \$10 per dozen	10¢ doz. plus 45%	10¢ doz. plus 35%	Italy	63 15
	Having a body not wholly of clay, and valued \$10 or more per dozen.	10¢ doz. plus 35%	5¢ doz. plus 25%	Benelux, Italy	63 10
	Decorated, colored, etc.:				
	Having a body composed wholly of clay:				
	Valued \$10 or more per dozen	10¢ doz. plus 50%	5¢ doz. plus 25%	Benelux, Italy	63 700
	Valued \$3 or more, but less than \$10 per dozen	10¢ doz. plus 50%	10¢ doz. plus 35%	Italy	63 750
	Having a body not wholly of clay, and valued \$10 or more per dozen.	10¢ doz. plus 35%	5¢ doz. plus 25%	Benelux, Italy	63 50

Footnotes at end of table.

Tariff paragraph	Commodity description	Rate of duty		Torquay negotiating country	Total United States imports for consumption, 1949
		Jan. 1, 1951	Under Torquay Agreement		
	SCHEDULE 2—EARTHS, EARTHENWARE, AND GLASSWARE—continued				Thous. of dol.
212	China and porcelain, vitrified and nonabsorbent, table and kitchen articles and utensils: Domestic or household ware, not containing 25 percent or more calcined bone: Plain white, not painted, colored, etc.: Plates, not over 6½ inches in diameter and valued at more than \$2.55 per doz., or over 6½ hut not over 7½ inches in diameter and valued at more than \$3.45 per doz., or over 7½ hut not over 9½ inches in diameter and valued at more than \$5 per doz., or over 9½ inches in diameter and valued at more than \$6 per doz.; cups valued at more than \$4.45 per doz.; saucers valued at more than \$1.90 per doz.; and other tableware, kitchenware, and table and kitchen utensils (except plates, cups, and saucers) valued at more than \$11.50 per doz. pieces. Decorated, colored, etc.: Plates not over 6½ inches in diameter and valued at more than \$2.55 hut not more than \$4 per doz., or over 6½ hut not over 7½ inches in diameter and valued at more than \$3.45 hut not more than \$5.40 per doz., or over 7½ hut not over 9½ inches in diameter and valued at more than \$5 hut not more than \$8 per doz., or over 9½ inches in diameter and valued at more than \$6 hut not more than \$9.75 per doz.; cups, valued at more than \$4.45 hut not more than \$7 per doz.; saucers, valued at more than \$1.90 hut not more than \$3 per doz.; and other tableware, kitchenware, and table and kitchen utensils (except plates, cups and saucers), valued at more than \$11.50 hut not more than \$18 per doz. pieces.	10¢ doz. plus 60%-----	10¢ doz. plus 35%-----	Denmark, France--	610
		10¢ doz. plus 45%-----	10¢ doz. plus 35%-----	Germany-----	662
212	China and porcelain sanitary articles: Closets, howls, lavatories, sinks, etc.: Plain white, not painted, colored, etc.	60%-----	35%-----	Canada-----	(1)
	Decorated, colored, etc.	70%-----	35%-----	Canada-----	1
214	Crushed or ground stone, n.s.p.f. (except Cornwall stone and marble chip or granite).	10%-----	7½%-----	Canada-----	8
	Diamond hort, manufactured (diamond dies)	20%-----	15%-----	France-----	80
217	Feldspar, ground.	15%-----	7½%-----	Canada-----	
	Unfilled vials and ampoules, n. s. p. f.: Holding less than ¼ pint-----	50¢ gross-----	25¢ gross-----	Canada-----	2
	Holding not less than ¼ pint, and not more than 1 pint-----	13¢ lh-----	3¢ lh-----	Canada-----	
	Holding more than 1 pint-----	1¢ lh-----	½¢ lh-----	Canada-----	
218 (a)	Biological, chemical, metallurgical, pharmaceutical, and surgical articles and utensils of all kinds wholly or in chief value of glass.	85%-----	42½%-----	Germany-----	76
218 (b)	Tubes (except gauge glass tubes), rods, canes, and tubing finished or unfinished wholly or in chief value of glass (except fusible enamel rods and canes).	65%-----	32½%-----	France, Germany--	2
218 (d)	Plated or cased glass containing 24 percent or more lead oxide-----	50¢ ea.; 30% min.; 50% max.	30%-----	Benelux-----	61
218 (e)	Bottles and jars, wholly or in chief value of glass, whether or not fitted with or designed for use with ground-glass stoppers, of the character used or designed to be used as containers of perfume, talcum powder, toilet water, or other toilet preparations: Produced by automatic machine (except by automatic machine to which molten glass is automatically fed). Not produced by automatic machine: Unfilled bottles (not including jars)-----	25%-----	12½%-----	France-----	4
	Filled bottles and jars: Filled with toilet preparations-----	50%-----	45%-----	France-----	133
	Filled with other preparations-----	20%-----	18¾%-----	France-----	(1)
	Bottles, vials, and jars, wholly or in chief value of glass, fitted with or designed for use with ground-glass stoppers, for holding merchandise other than toilet preparations, if produced by automatic machine.	75%-----	45%-----	France-----	(1)
218 (f)	Table and kitchen articles and utensils, composed wholly or in chief value of glass: Blown or partly blown, in the mold or otherwise, if cut or engraved, valued \$3 or more each (including bubble glass).	25%-----	12½%-----	France-----	(1)
218 (f)	Glassware, other than hulhs and table and kitchen articles and utensils: Christmas tree ornaments valued at \$7.50 or more per gross-----	30%-----	22½%-----	Sweden-----	100
	Blown or partly blown, in the mold or otherwise, if cut or engraved, valued \$3 or more each, nes (except engraved ornamental glassware valued \$8 each or over, but including bubble glass).	50%-----	30%-----	Germany-----	959
219	Cylinder, crown, and sheet glass: Not over 150 square inches-----	30%-----	22½%-----	Sweden-----	60
	Over 150 and not over 384 square inches-----	63/64¢ lb. ²³ -----	0.8¢ lb. ²⁴ -----	Benelux-----	159
	Over 384 and not over 720 square inches-----	1¾¢ lb. ²³ -----	0.8¢ lb. ²⁴ -----	Benelux-----	100
	Over 720 and not over 864 square inches-----	1¾¢ lb. ²³ -----	1¢ lb. ²⁴ -----	Benelux-----	33
	Over 864 and not over 1,200 square inches-----	1¾¢ lb. ²³ -----	1¢ lb. ²⁴ -----	Benelux-----	6
	Over 1,200 and not over 2,400 square inches-----	1¾¢ lb. ²³ -----	1.3¢ lb. ²⁴ -----	Benelux-----	3
	Over 2,400 square inches-----	1¾¢ lb. ²³ -----	1.3¢ lb. ²⁴ -----	Benelux-----	13
223	Plate, cylinder, crown, and sheet glass, made into mirrors, finished or partly finished: Over 144 and not over 384 square inches-----	1¾¢ lb. ²³ -----	1.6¢ lb. ²⁴ -----	Benelux-----	40
	Over 384 and not over 720 square inches-----	8¢ sq. ft., 25% min.-----	7½¢ sq. ft., 22½% min.-----	France-----	4
	Over 720 square inches-----	10¢ sq. ft., 25% min.-----	10¢ sq. ft., 22½% min.-----	France-----	2
224	Cylinder, crown, and sheet glass, when bent, frosted, sanded, enameled, beveled, etched, embossed, engraved, flashed, stained, painted, ornamented or decorated—additional duty.	5%-----	2½%-----	Benelux-----	11
	Cylinder, crown, and sheet glass, when colored (except glass not plate glass and not less than ¼ of inch in thickness, when obscured by coloring prior to solidification)—additional duty.	5%-----	2½%-----	Benelux-----	07
	All glass described in tariff pars. 221, 222, and 223, when bent, beveled, ornamented, colored, etc. (except glass not plate glass and not less than ¼ of inch in thickness, when obscured by coloring prior to solidification)—additional duty.	5%-----	2½%-----	Benelux, Austria ²³ -----	

Footnotes at end of table.

Tariff paragraph	Commodity description	Rate of duty		Torquay negotiating country	Total United States imports for consumption, 1949
		Jan. 1, 1951	Under Torquay Agreement		
	SCHEDULE 2—EARTHS, EARTHENWARE, AND GLASSWARE—continued				Thous. of dol.
228 (a)-----	Cathetometers, interferometers, photometers, polarimeters, polariscopes, refractometers, saccharimeters, spectrographs, spectrometers, spectroscopes, frames, mountings, and parts.	60%-----	50%-----	Germany-----	103
	Colorimeters, frames, mountings, and parts.	60%-----	50%-----	Germany-----	3
	Haemacytometers, frames, mountings, and parts.	60%-----	50%-----	Germany-----	2
	Ophthalmoscopes, slit lamps, corneal microscopes, optical measuring or testing instruments, testing or recording instruments for ophthalmological purposes, frames, mountings, and parts.	60%-----	50%-----	Germany-----	69
228 (b)-----	Opera and field glasses (not prism-binoculars), valued at more than \$1 each.	20%-----	17½%-----	France-----	254
	Telescopes, valued more than \$2 each.	25%-----	22½%-----	France-----	21
	Frames, mountings, and parts of frames and mountings therefor.	25%-----	22½%-----	France-----	3
228 (b)-----	Sextants, octants, mirrors for optical purposes, and projection lenses.	45%-----	35%-----	Germany-----	125
240 (a)-----	Glass windows, stained, or painted and parts thereof, n. s. p. f.	40%-----	30%-----	Austria-----	2
240 (c)-----	Glass, ruled or etched in any manner.	55%-----	27½%-----	Germany-----	6
	Manufactures of glass, ruled or etched in any manner.	55%-----	27½%-----	Germany-----	1
	For photographic reproduction or engraving processes.	55%-----	27½%-----	Germany-----	(1)
	For measuring or recording purposes.	55%-----	27½%-----	Germany-----	61
230 (d)-----	All glass, and manufactures of glass, or of which glass is the component of chief value, n. e. s.	40%-----	25%-----	Belux-----	2
231-----	Opal, enamel or cylinder glass tiles and tiling.	20%-----	15%-----	Belux-----	2
232 (a)-----	Onyx, sawed or dressed, over 2 inches thick.	\$1 cu. ft.	50¢ cu. ft.	Italy-----	
234 (a)-----	Granite:				
	Paving blocks, wholly or partly manufactured.	20%-----	15%-----	Belux-----	
	Hewn, dressed, pointed, pitched, lined, or polished.	20%-----	15%-----	Belux-----	67
	SCHEDULE 3—METALS AND MANUFACTURES OF				
301-----	Pig iron:				
	Not containing dutiable alloy:				
	Not containing more than 400 percent of phosphorus.	75¢ ton	60¢ ton	Belux-----	1,874
	Containing more than 400 percent of phosphorus.	75¢ ton	60¢ ton	Belux-----	2,711
	Containing dutiable alloy:				
	Not containing more than 400 percent of phosphorus.	75¢ ton	60¢ ton	Belux-----	1
	Containing more than 400 percent of phosphorus.	75¢ ton	60¢ ton	Belux-----	5
	Molybdenum content in excess of 40 percent contained in any of the articles provided for in par. 301—additional duty.	65¢ lb.	35¢ lb.	Canada-----	
302 (d)-----	Ferromanganese containing not less than 4 percent carbon.	1½¢ lb. ³⁰	5¢ lb. ³⁰	Canada-----	7,188
302 (e)-----	Manganese silicon:				
	Containing not over 45 percent manganese.	1½¢ lb. ³¹ plus 15%-----	1½¢ lb. ³¹ plus 7½%-----	Canada-----	
	Containing over 45 percent manganese (include silico-manganese).	1½¢ lb. ³¹ plus 10%-----	1½¢ lb. ³¹ plus 7½%-----	Norway-----	
	Ferromanganese containing not over 1 percent carbon.	1½¢ lb. ³¹ plus 10%-----	1½¢ lb. ³¹ plus 7½%-----	Norway-----	(1)
	Spiegeleisen containing not more than 1 percent carbon, and manganese boron.	1½¢ lb. ³¹ plus 15%-----	1½¢ lb. ³¹ plus 7½%-----	France-----	1
302 (f)-----	Ferromolybdenum, molybdenum metal and powder, calcium molybdate, and other compounds and alloys of molybdenum.	50¢ lb. ³² plus 15%-----	25¢ lb. ³² plus 7½%-----	Canada-----	
302 (i)-----	Ferrosilicon, containing silicon:				
	30 percent and less than 60 percent.	1½¢ lb. ³³	1¢ lb. ³³	Canada-----	19
	60 percent and less than 80 percent.	2¢ lb. ³³	1½¢ lb. ³³	Canada-----	22
	80 percent and less than 90 percent.	2½¢ lb. ³³	2¢ lb. ³³	Canada-----	
	Silicon metal.	8¢ lb. ³³	4¢ lb. ³³	Canada-----	17
302 (j)-----	Silicon aluminum and aluminum silicon.	5¢ lb.	2½¢ lb.	Canada-----	36
302 (k)-----	Chrome or chromium metal.	25%-----	12½%-----	Norway-----	
302 (l)-----	Chromium carbide.	25%-----	12½%-----	Canada-----	
	Vanadium carbide.	25%-----	12½%-----	Canada-----	
	Chromium nickel.	25%-----	12½%-----	Canada-----	
	Chromium silicon and ferrochromium silicon.	25%-----	12½%-----	Canada-----	
	Chromium vanadium.	25%-----	12½%-----	Canada-----	
	Manganese copper.	25% ³⁴	12½% ³⁴	Norway-----	
302 (m)-----	Ferrophosphorus.	25%-----	12½%-----	Canada-----	
	Ferrozirconium and zirconium ferrosilicon.	25%-----	12½%-----	Norway-----	
	Ferrohoron.	25%-----	12½%-----	Canada-----	
	Ferroaluminum vanadium, ferromanganese vanadium, ferrosilicon vanadium, and ferrosilicon aluminum vanadium.	25%-----	12½%-----	Canada-----	
302 (n)-----	Titanium.	25%-----	20%-----	Canada-----	22
	Barium, boron, strontium, thorium, vanadium.	25%-----	12½%-----	Canada-----	
	Calcium metal.	25%-----	17½%-----	Canada-----	5
302 (n)-----	Zirconium metal.	25%-----	12½%-----	Belux-----	2
	Alloys of 2 or more of the metals specified above in 6250.590, 6250.620, and 6250.640 (part).	25%-----	12½%-----	Canada-----	
	Alloys, n. s. p. f., of one or more of the metals specified above in 6250.590, 6250.620, and 6250.640 (part) or the metals columbium or niobium or tantalum with 1 or more of the metals aluminum, chromium, cobalt, copper, manganese, nickel, or silicon:				
	Calcium silicide (calcium silicon).	25%-----	12½%-----	Canada, Norway-----	15
	Zirconium silicon.	25%-----	12½%-----	Norway-----	
	Other.	25%-----	20%-----	Norway-----	5
302 (o)-----	Alloys, n. s. p. f., used in the manufacture of steel or iron and containing not less than 28 percent of iron, not less than 18 percent aluminum, not less than 18 percent silicon, and not less than 18 percent manganese.	12½%-----	6¼%-----	Canada-----	
304-----	All products dutiable under par. 304 (except hollow bars and hollow drill steel), valued above 16 cents per pound.	15% ³⁵	12½% ³⁵	Sweden-----	81
	Hollow bars and hollow drill steel:				
	Valued above 16¢ lb.	15% ³⁵ plus ¾¢ lb.	12½% ³⁵ plus ¾¢ lb.	Sweden-----	
	Valued above 5 and not above 8 cents per pound.	15% ³⁵ plus ¾¢ lb.	10% ³⁵ plus ¾¢ lb.	Canada, Sweden-----	
305-----	All steel or iron in the materials and articles enumerated or described in pars. 303, 304, 307, 308, 312, 313, 315, 316, 317, 318, 319, 322, 323, 324, 327, and 328 containing more than 0.2 percent molybdenum—additional duty on molybdenum content.	65¢ lb.	35¢ lb.	Canada-----	
307-----	Boiler or other plate of iron or steel, except crucible and saw-plate steel (including common or block sheets), not thinner than 10/1000 inch, and skelp, sheared or rolled in grooves:				
	Valued not over 3 cents per pound:				
	Skelp.	10% ³⁵ ; 0.175¢ lb. min. ³⁵	0.175¢ lb. ³⁵	Belux-----	
	Other.	10% ³⁵ ; 0.175¢ lb. min. ³⁵	0.175¢ lb. ³⁵	Belux-----	(1)

Footnotes at end of table.

Tariff paragraph	Commodity description	Rate of duty		Torquay negotiating country	Total United States imports for consumption, 1949
		Jan. 1, 1951	Under Torquay Agreement		
SCHEDULE 3—METALS AND MANUFACTURES OF—continued					
308	Sheets of iron or steel, common or black, and boiler or other plate iron or steel thinner than 109/1000 inch and skelp n. e. s., valued 3 cents or less per pound: Thinner than 109/1000, not thinner than 39/1000 inch: Skelp..... Other..... Thinner than 39/1000, not thinner than 23/1000 inch: Skelp..... Other.....	10% ³⁵ ; 0.175¢ lb. min. ³⁵ 10% ³⁵ ; 0.175¢ lb. min. ³⁵ 10% ³⁵ ; 0.225¢ lb. min. ³⁵ 10% ³⁵ ; 0.225¢ lb. min. ³⁵	0.175¢ lb. ³⁵ 0.175¢ lb. ³⁵ 0.225¢ lb. ³⁵ 0.225¢ lb. ³⁵	Benelux..... Benelux..... Benelux..... Benelux.....	Thous. of dol.
312	Beams, girders, joists, angles, channels, toes, columns, post, and other structural shapes: Not assembled, manufactured, or advanced..... Machined, drilled, punched, assembled, fitted, fabricated for use or otherwise advanced.....	3/8¢ lb. ³⁵ 10% ³⁵	3/16¢ lb. ³⁵ 7 1/2% ³⁵	Benelux..... Benelux.....	11,648 35
313	Hoop, band, or scroll iron or steel, n. s. p. f., and barrel hoops, 8 inches or less in width, valued 3 cents per pound or less: Thinner than 3/8, not thinner than 109/1000 inch..... Thinner than 109/1000, not thinner than 39/1000 inch..... Thinner than 39/1000 inch..... Bands or strips of iron or steel, n. s. p. f..... Strips of iron or steel, n. s. p. f., cold hammered, blued, brightened, tempered, or polished.....	0.15¢ lb. ³⁵ 0.2¢ lb. ³⁵ 0.3¢ lb. ³⁵ 15% ³⁵ 15% ³⁵	0.125¢ lb. ³⁵ 0.175¢ lb. ³⁵ 0.275¢ lb. ³⁵ 12 1/2% ³⁵ 12 1/2% ³⁵	Benelux..... Benelux..... Benelux..... Benelux..... Benelux.....	13 498
314	Hoop or band iron or steel, for baling cotton, etc., cut to lengths, or manufactured into hoops or ties: Cotton ties..... Other.....	0.15¢ lb. ³⁵ 0.15¢ lb. ³⁵	0.1¢ lb. ³⁵ 0.1¢ lb. ³⁵	Benelux..... Benelux.....	282 2
316 (a)	Wire, n. s. p. f.: Copper..... Brass..... Bronze (include phosphor bronze)..... Other (except gold, silver, platinum, tungsten or molybdenum).....	15% ^{34 35} 15% ^{34 35} 15% ^{34 35} 15% ³⁵	12 1/2% ^{34 35} 12 1/2% ^{34 35} 12 1/2% ^{34 35} 12 1/2% ³⁵	Canada..... Canada..... Canada..... Benelux.....	14 9 44
316 (b)	Forms containing over 50 percent of tungsten, tungsten carbide, molybdenum, molybdenum carbide, or combinations, n. s. p. f.: Ingots, shot, bars, or scrap: Tungsten or tungsten carbide..... Molybdenum or molybdenum carbide..... Combinations of tungsten, molybdenum, etc..... Sheets, wire, or other forms: Tungsten or tungsten carbide..... Molybdenum or molybdenum carbide..... Combinations of tungsten, molybdenum, etc.....	30% ³⁵ 30% ³⁵ 30% ³⁵ 40% ³⁵ 40% ³⁵ 40% ³⁵	25% ³⁵ 25% ³⁵ 25% ³⁵ 30% ³⁵ 30% ³⁵ 30% ³⁵	Benelux..... Austria..... Benelux..... Benelux..... Austria..... Benelux.....	4 3 10 10
318	Woven-wire cloth, gauze, fabric, or screen made of any metal or alloy n. s. p. f.: Mesh finer than 30, not finer than 90 wires to the lineal inch in warp or filling..... Mesh finer than 90 wires to the lineal inch in warp or filling.....	3/8 sq. ft. ³⁵ 12% min.; ³⁵ 24% max. ³⁵ 30% ³⁵	2 1/4 sq. ft.; ³⁵ 10% min.; ³⁵ 20% max. ³⁵ 25% ³⁵	Benelux, Canada..... Benelux, Canada.....	6 36
322	Rail braces, and bars for railways.....	3/16¢ lb. ³⁵	3/16¢ lb. ³⁵	Canada.....	3
325	Anvils weighing less than 5 pounds each.....	3/16¢ lb. ³⁵	3/16¢ lb. ³⁵	Canada.....	76
326	Blacksmiths' hammers, tongs, and sledges, track tools, wedges, and crowbars.....	45% ³⁵ 13¢ lb.	22 1/2% ³⁵ 1 1/4¢ lb.	Austria..... Canada.....	(1) 1
327	Castings and forgings, n. e. s.: Sadirons, tailors' and hatters' irons, not electric, and irons, plates, stove plates, castings, and vessels of cast iron..... Castings or cast-iron plates, machined or advanced, not made into articles..... Cast hollow ware, coated, glazed, or tinned, not including enameled, or ware containing electrical elements.....	10% ³⁵ 10% ³⁵ 20% ³⁵	5% ³⁵ 5% ³⁵ 10% ³⁵	Canada..... Canada..... Benelux.....	2 3
328	Welded cylindrical furnaces, and tubes or flues of plate metal, corrugated, ribbed, or reinforced.....	25% ³⁵	12 1/2% ³⁵	Canada.....	5
329	Rigid tubes or pipes for electrical conduits.....	30% ³⁵	15% ³⁵	Canada.....	
329	Chains and parts (except power transmission chains and parts and anchor or stud-link chains): Not less than 3/4 inch in diameter..... Less than 3/4, not less than 3/16 inch in diameter.....	1/8 lb. 1¢ lb.	7/16¢ lb. 3/16¢ lb.	Canada..... Canada.....	1 (1)
331	Cut nails and spikes over 2 inches long..... Upbolsters' nails and thumbtacks of 2 or more pieces of iron or steel.....	3/16¢ lb. 4 1/2¢ lb.	3/16¢ lb. 4¢ lb.	Canada..... Germany.....	2 126
334	Tacks and brads, cut.....	15% ³⁵	7 1/2% ³⁵	Sweden.....	
336	Steel wool.....	10¢ lb. plus 30% ³⁵	5¢ lb. plus 15% ³⁵	Canada.....	
336	Corset clasps, corset and dress steels.....	35% ³⁵	17 1/2% ³⁵	France.....	
338	Wood screws of iron or steel.....	15% ³⁵	12 1/2% ³⁵	Benelux.....	2
339	Table, household, kitchen, and hospital utensils, and hollow or flat ware, n. s. p. f., whether or not containing electrical heating elements Plated with platinum..... Not plated with platinum, gold, or silver: Chief value of tin: Containing electrical heating elements..... Not containing electrical heating elements..... Chief value of tinplate: Containing electrical heating elements..... Not containing electrical heating elements..... Illuminating articles (candlesticks, candelabra, etc.): Chief value of copper..... Chief value of brass..... Chief value of other base metal (except aluminum, tin, tinplate, and pewter)..... Carbonated water siphons: Chief value of copper..... Chief value of brass..... Chief value of pewter..... Chief value of other base metal (except aluminum, tin, and tinplate)..... Other articles of base metal (except aluminum, copper, brass, tin, tinplate, and pewter): Fly swatters..... "Other," not containing electrical heating elements.....	65% ³⁵ 40% ³⁵ 40% ³⁵ 40% ³⁵ 40% ³⁵ 30% ³⁵ 30% ³⁵ 40% ³⁵ 25% ³⁵ 25% ³⁵ 25% ³⁵ 25% ³⁵ 40% ³⁵ 40% ³⁵	32 1/2% ³⁵ 20% ³⁵ 12% ³⁵ 20% ³⁵ 12% ³⁵ 20% ³⁵ 15% ³⁵ 20% ³⁵ 20% ³⁵ 15% ³⁵ 12 1/2% ³⁵ 20% ³⁵ 20% ³⁵	France..... France..... France..... France..... France..... France..... France..... France..... France..... France..... France..... France..... Benelux..... France.....	(1) <

Footnotes at end of table.

Tariff paragraph	Commodity description	Rate of duty		Torquay negotiating country	Total United States imports for consumption, 1949
		Jan. 1, 1951	Under Torquay Agreement		
	SCHEDULE 3—METALS AND MANUFACTURES OF—continued				Thous. of dol.
340	Circular saws.	20%	10%	Canada	4
	Jewelers' or piercing saws.	40¢ gross	20¢ gross	Germany	74
341	Engraved plates of steel for printing, n. e. s.	15%	12½%	Canada	32
	Electrotype, stereotype, halftone, photogravure, photo-engraved plates and plates of other materials than steel engraved or otherwise prepared for printing.	15%	12½%	Canada	224
	Engraved plates for designs on glass.	15%	12½%	Canada	
	Lithographic plates of stone or other material engraved, drawn, or prepared.	15%	12½%	Canada	
342	Umbrella and parasol ribs and stretchers of metal and tubes for umbrellas.	60%	30%	Austria, Germany	32
343	Spring-needle needles.	\$1.50 M plus 50%	75¢ M plus 25%	Germany	(1)
	Latch needles.	\$2 M plus 60%	\$1 M plus 30%	Germany	26
350	"Other" pins, including hat, bonnet, and shawl.	20%	17½%	Austria	23
352	Twist and other drills, reamers, and other tools and cutting edges for such tools, of steel, or substitutes for steel, suitable for cutting metal, n. s. p. f.	50%	25%	Germany	62
353	Transformers and parts.	15%	12½%	Canada	13
	Radio apparatus and parts.	15%	12½%	Belux	771
	Sockets, attachment plugs, and switches not over 10 amperes, cut-outs, and fuses not over 30 amperes, and other wiring devices such as are used in house wiring.	35%	17½%	Canada	10
353	Electrical goods and parts, nes, including signaling, welding, ignition apparatus, instruments (other than laboratory), and devices.	15%	12½%	Germany	397
	X-ray apparatus and parts (except X-ray tubes).	10%	8¼%	Sweden	137
	Articles having as an essential feature an electrical element or device, n. s. p. f.:				
	Motors:				
	Stationary, railway, vehicle, and other, n. e. s.	15%	12½%	Canada	629
	Parts of:	15%	12½%	Canada	44
	Internal combustion engines, carburetor type, and parts.	10%	8¼%	Canada	1
	Electric furnaces, heaters and ovens, and parts.	15%	12½%	Canada	177
	Batteries, other than storage.	35%	17½%	Canada	3
	Steam boilers operating with water under forced circulation at least 8 times the rate of evaporation, etc., and parts.	15%	13¾%	Canada, Germany	
	Television apparatus and parts (except cameras).	15%	12½%	Belux	
	Calculating machines and parts specially constructed for multiplying and dividing, n. s. p. f.	15%	12½%	Sweden	178
	"Other" machines and parts which would be dutiable under par. 372 if of a kind which could be designed to operate without such electrical element or feature.	15%	13¾%	Canada, Germany	338
	"Other" and parts, such as locomotives, portable tools, refrigerators, and signs.	15%	13¾%	Canada, Germany	597
354	Pen, pocket, clasp, pruning, budding, and other knives with folding blades:				
	Valued not over 40¢ per dozen.	1¼¢ ea. plus 50%	5¢ ea. plus 25%	Germany	
	Valued over 40¢, not over 50¢ per dozen.	5¢ ea. plus 50%	2½¢ ea. plus 25%	Germany	
	Valued over 50¢, not over \$1.25 per dozen.	11¢ ea. plus 55%	5½¢ ea. plus 27½%	Germany	2
	Valued over \$1.25, not over \$3 per dozen.	18¢ ea. plus 55%	9¢ ea. plus 27½%	Germany	4
	Valued over \$3, not over \$6 per dozen.	25¢ ea. plus 50%	12½¢ ea. plus 25%	Germany	4
	Pen, pocket, clasp, pruning, budding, and other knives with folding blades, assembled but not fully finished:				
	Valued not over \$1.25 per dozen.	15¢ ea. plus 55%	7½¢ ea. plus 27½%	Germany	
	Valued over \$1.25, not over \$3 per dozen.	18¢ ea. plus 55%	9¢ ea. plus 27½%	Germany	1
	Valued over \$3, not over \$6 per dozen.	25¢ ea. plus 50%	12½¢ ea. plus 25%	Germany	
	Blades, handles, or other parts for pen, pocket, and other knives with folding blades:				
	Valued not over \$1.25 per dozen.	11¢ ea. plus 55%	5½¢ ea. plus 27½%	Germany	
	Valued over \$1.25, not over \$3 per dozen.	18¢ ea. plus 55%	9¢ ea. plus 27½%	Germany	
	Valued over \$3, not over \$6 per dozen.	25¢ ea. plus 50%	12½¢ ea. plus 25%	Germany	
	Valued over \$6 per dozen.	11¢ ea. plus 55%	5½¢ ea. plus 27½%	Germany	2
355	Table, kitchen, butchers', and similar cutlery, cleavers, forks, and steels:				
	With handles of nickel-silver, or steel, other than austenitic:				
	Less than 4 inches long (exclusive of handle):				
	Table cutlery, forks, and steels.	2¢ ea. plus 12½%	1¢ ea. plus 12½%	Germany	38
	Kitchen, butchers', and similar cutlery, cleavers, forks, and steels.	2¢ ea. plus 25%	1¢ ea. plus 12½%	Germany	4
	Table cutlery, forks, and steels.	4¢ ea. plus 25%	4¢ ea. plus 17½%	Germany	19
	Kitchen, butchers', and similar cutlery, cleavers, forks, and steels.	4¢ ea. plus 25%	4¢ ea. plus 17½%	Germany	8
	With handles of "other" material, including wood or wood and steel:				
	Less than 4 inches long (exclusive of handle):				
	Table cutlery, forks, and steels.	2¢ ea. plus 17½%	1¢ ea. plus 17½%	Germany	10
	Kitchen, butchers', and similar cutlery, cleavers, forks, and steels.	2¢ ea. plus 17½%	1¢ ea. plus 17½%	Germany	6
	4 inches long or over (exclusive of handle):				
	Table cutlery, forks, and steels.	8¢ ea. plus 35%	4¢ ea. plus 17½%	Germany	22
	Kitchen, butchers', and similar cutlery, cleavers, forks, and steels.	8¢ ea. plus 35%	4¢ ea. plus 17½%	Germany	91
	Hunting, carriers', farriers', hay, tanners', painters', shoe, beet-topping, and similar knives, forks, and steels:				
	With handles of silver (except silver-plated) or metal other than iron or steel, aluminum, and nickel-silver.	16¢ ea. plus 35%	8¢ ea. plus 17½%	Sweden	1
	With handles of wood, or wood and steel or with handles of nickel-silver, or steel other than austenitic, if less than 4 inches long (exclusive of handle).	2¢ ea. plus 12½%	1¢ ea. plus 12½%	Sweden	10
	With handles of "other" material, if less than 4 inches long (exclusive of handle).	2¢ ea. plus 17½%	1¢ ea. plus 17½%	Sweden	(1)
356	Planing-machine, tannery, leather, tobacco, paper and pulp-mill knives; shear blades; circular cloth, cork, and cigarette cutters; and other knives and blades used in power or hand machines.	20%	10%	Germany	38
	Knives or blades for meat-cutting, slicing, or chopping machines.	20%	10%	Germany	9
357	Nail, barbers', and animal clippers and blades therefor:				
	Valued not over 50¢ per dozen.	3½¢ ea. plus 45%	1½¢ ea. plus 22½%	Germany	
	Valued over 50¢ and not over \$1.75 per dozen.	15¢ ea. plus 45%	7½¢ ea. plus 22½%	Germany	(1)
	Valued over \$1.75 per dozen.	20¢ ea. plus 45%	10¢ ea. plus 22½%	Germany	20
	Scissors and shears (except pruning and sheep shears) and blades therefor, valued over \$1.75 per dozen.	15¢ ea. plus 35%	10¢ ea. plus 22½%	Germany	117

Footnotes at end of table.

Tariff paragraph	Commodity description	Rate of duty		Torquay negotiating country	Total United States Imports for consumption, 1949 Thous. of dol.
		Jan. 1, 1951	Under Torquay Agreement		
	SCHEDULE 3—METALS AND MANUFACTURES OF—continued				
358	Razors and parts thereof (except safety razors, or safety razor blades, handles, frames):				
	Valued less than 75¢ per dozen	18¢ ea. plus 30%	15¢ ea. plus 15%	Germany	
	Valued 75¢ and less than \$1.50 per dozen	25¢ ea. plus 30%	15¢ ea. plus 15%	Germany	
	Valued \$1.50 and less than \$3 per dozen	30¢ ea. plus 30%	15¢ ea. plus 15%	Germany	
	Valued \$3 and less than \$4 per dozen	30¢ ea. plus 30%	22½¢ ea. plus 15%	Germany	
	Valued \$4 or more per dozen	30¢ ea. plus 30%	22½¢ ea. plus 15%	Germany	109
359	Dental instruments and parts thereof, wholly or in part of metal (except those in chief value of glass):				
	Burs	35%	22½%	Germany	375
	Hypodermic needles and parts	30% ³⁰	17½%	Germany	8
	Extraction forceps and parts	30% ³⁰	17½%	Germany	19
	Other and parts	35%	17½%	Germany	44
360	Instruments, including mathematical apparatus, utensils, appliances, and parts, n. s. p. f., of metals, not plated with gold, silver, or platinum:				
	Laboratory scales, balances, and analytical weights	40%	30%	Germany	124
	Integrators, integragraphs, planimeters, and map measures	40%	30%	Germany	21
	"Other"	40%	30%	Germany	121
	Drawing instruments and parts, wholly or in chief value of metal	45%	22½%	Germany	519
	Slide rules wholly or in chief value of synthetic resins	40%	20%	Denmark	65 1
361	Slip joint pliers valued not over \$2 per dozen	60%	30%	Germany	
363	Swords and sidearms	50%	25%	Germany	8
365	Rifles over \$50 each	25%	16¼%	Belux	168
366	Pistols and revolvers, automatic, single shot, magazine, or revolving, valued over \$3 each.	\$3.50 ea. plus 55%	\$1.75 ea. plus 27½%	Italy	12
	Parts of and fittings for automatic, single-shot, magazine, or revolving pistols and revolvers.	105%	52½%	Italy	1
368 (a)	Clocks and clock movements:				
	Valued not more than \$1.10 each:				
	Lever movements of plate and bridge type construction:				
	17/100 inches or more hut not over 2 inches in width:				
	Not more than 4 jewels	55¢ ea. plus 65%	27½¢ ea. plus 32½%	Germany	(1) 1
	More than 4 jewels	27½¢ ea. plus 32½%	55¢ ea. plus 65%	Germany	(1) 1
	Over 2 inches in width	55¢ ea. plus 65%	55¢ ea. plus 65%		
	Other clocks and clock movements, n. e. s.	55¢ ea. plus 65%			
	Valued more than \$1.10, not more than \$2.25 each:				
	Lever movements of plate and hridge type construction:				
	17/100 inches or more hut not over 2 inches in width:				
	Not more than 4 jewels	\$1 each plus 65 percent	50¢ ea. plus 32½%	Germany	(1) 1
	More than 4 jewels	50¢ ea. plus 32½%	\$1 ea. plus 65%	Germany	(1) 1
	Over 2 inches in width	\$1 ea. plus 65%	\$1 ea. plus 65%	Germany	15
	Other clocks and clock movements, n. e. s.	\$1 ea. plus 65%			
	Valued more than \$2.25, not more than \$5 each:				
	Lever movements of plate and hridge type construction:				
	17/100 inches or more hut not over 2 inches in width:				
	Not more than 4 jewels	\$1.50 ea. plus 65%	75¢ ea. plus 32½%	Germany	1
	More than 4 jewels	75¢ ea. plus 32½%	\$1.50 ea. plus 65%	Germany	1
	Over 2 inches in width	\$1.50 ea. plus 65%	\$1.50 ea. plus 65%	Germany	2
	Other clocks and clock movements, n. e. s.	\$1.50 ea. plus 65%			20
	Valued more than \$5, not more than \$10 each:				
	Lever movements of plate and hridge type construction:				
	17/100 inches or more hut not over 2 inches in width:				
	Not more than 4 jewels	\$3 each plus 65%	\$1.50 each plus 32½%	Germany	1
	More than 4 jewels	\$1.50 each plus 32½%	\$3 each plus 65%	Germany	1
	Over 2 inches in width	\$3 each plus 65%	\$3 each plus 65%	Germany	23
	Other clocks and clock movements, n. e. s.	\$3 each plus 65%			46
	Valued more than \$10 each:				
	Lever movements of plate and hridge type construction:				
	17/100 inches or more hut not over 2 inches in width:				
	Not more than 4 jewels	\$4.50 each plus 65%	\$2.25 each plus 32½%	Germany	1
	More than 4 jewels	\$2.25 each plus 32½%	\$4.50 each plus 65%	Germany	5
	Over 2 inches in width	\$4.50 each plus 65%	\$4.50 each plus 65%	Germany	17
	Other clocks and clock movements, n. e. s.	\$4.50 each plus 65%			144
	Jewels contained in clocks and clock movements of plate and hridge type construction, 17/100 inches, hut not more than 2 inches in width, and having more than 4 jewels.	12½¢ each additional	12½¢ each additional	Germany	
	Jewels, n. e. s.	25¢ each additional	12½¢ each additional	Germany	
368 (c)	Parts of clocks and clock movements:				
	Valued not more than \$1.10 each:				
	Pillar or bottom plates:				
	17/100 inches or more hut not over 2 inches in width:				
	Not more than 4 jewels	27½¢ each plus 32½%	13½¢ each plus 16¼%	Germany	(1)
	More than 4 jewels	13½¢ each plus 16¼%	27½¢ each plus 32½%		
	Over 2 inches in width	27½¢ each plus 32½%	27½¢ each plus 32½%		
	Plates for assembly of all other clocks and clock movements, n. e. s.	27½¢ each plus 32½%			
	Valued more than \$1.10, not more than \$2.25 each:				
	Pillar or bottom plates:				
	17/100 inches or more hut not over 2 inches in width:				
	Not more than 4 jewels	50¢ each plus 32½%	25¢ each plus 16¼%	Germany	(1)
	More than 4 jewels	25¢ each plus 16¼%	50¢ each plus 32½%		
	Over 2 inches in width	50¢ each plus 32½%	50¢ each plus 32½%		
	Plates for assenmly of all other clocks and clock movements, n. e. s.	50¢ each plus 32½%			
	Valued more than \$2.25, not more than \$5 each:				
	Pillar or bottom plates:				
	17/100 inches or more hut not over 2 inches in width:				
	Not more than 4 jewels	75¢ each plus 32½%	37½¢ each plus 16¼%	Germany	(1)
	More than 4 jewels	37½¢ each plus 16¼%	75¢ each plus 32½%		
	Over 2 inches in width	75¢ each plus 32½%	75¢ each plus 32½%		
	Plates for assembly of all other clocks and clock movements, n. e. s.	75¢ each plus 32½%			
	Valued more than \$5, not more than \$10 each:				
	Pillar or bottom plates:				
	17/100 inches or more hut not over 2 inches in width:				
	Not more than 4 jewels	\$1.50 each plus 32½%	75¢ each plus 16¼%	Germany	(1)
	More than 4 jewels	75¢ each plus 16¼%	\$1.50 each plus 32½%		
	Over 2 inches in width	\$1.50 each plus 32½%	\$1.50 each plus 32½%		
	Plates for assembly of all other clocks and clock movements, n. e. s.	\$1.50 each plus 32½%			

Footnotes at end of table.

Tariff paragraph	Commodity description	Rate of duty		Torquay negotiating country	Total United States imports for con- sump- tion, 1949
		Jan. 1, 1951	Under Torquay Agreement		
	SCHEDULE 3—METALS AND MANUFACTURES OF—continued				Thous. of dol.
368 (c)	Parts of clocks and clock movements—Continued				
	Valued more than \$10 each:				
	Pillar or bottom plates:				
	17/100 inches or more but not over 2 inches in width:				
	Not more than 4 jewels.....	\$2.25 each plus 32 1/2 %			
	More than 4 jewels.....	\$1.12 1/2 each plus 16 1/2 %			
	Over 2 inches in width.....	\$2.25 each plus 32 1/2 %	\$1.12 1/2 each plus 16 1/2 %	Germany	
	Plates for assembly of all other clocks and clock movements, n. e. s.	\$2.25 each plus 32 1/2 %			
	Parts or pieces of assemblies or subassemblies attached to plates (except plates or jewels).....	5¢ each additional	2 1/2 ¢ each additional	Germany	
	Assemblies or subassemblies consisting of 2 or more parts or pieces, joined or fastened together (except jewels), n. e. s.	3¢ each part or piece plus 65 %	1 1/2 ¢ each part or piece plus 32 1/2 %	Germany	2
	Jewels in assemblies or subassemblies.....	25¢ each additional	12 1/2 ¢ each additional	Germany	
	"Other" parts imported with complete movements (not exceed- ing in value 1 1/2 % of the value of such movements).	45 %	22 1/2 %	Germany	(1)
	"Other" parts, n. s. p. f. (except jewels).....	65 %	32 1/2 %	Germany	8
368 (d)	Dials for clocks, imported separately.....	50 %	25 %	Germany	2
368 (g)	Taximeters.....	45 %	42 1/2 %	Sweden	2
	Parts of.....	45 %	42 1/2 %	Sweden	2
370	Pleasure boats, sail, steam, or motor propelled, valued not more than \$15,000 each:				
	Motor propelled.....	15 %	7 1/2 %	Canada	204
	Other.....	15 %	7 1/2 %	Canada	93
	Internal combustion motorboat engines:				
	Carburetor type.....	15 %	8 3/4 %	Canada	13
	Other (include Diesel and semi-Diesel), weighing not more than 2,500 pounds each.....	15 %	8 3/4 %	Canada	1
372	Sewing machines valued not over \$10 each.....	10 %	7 1/2 %	Germany	51
	Cash registers and parts.....	15 %	12 1/2 %	Canada, Sweden	40
	Printing machinery, except for textiles:				
	Printing presses.....	25 %	12 1/2 %	Germany, Italy 40	269
	Parts of.....	25 %	12 1/2 %	Germany, Italy 40	22
	Other, except duplicating machines.....	25 %	12 1/2 %	Germany	207
	Parts of.....	25 %	12 1/2 %	Germany	43
	Bookbinding machinery and parts.....	25 %	12 1/2 %	Canada	13
	Paper box machinery and parts.....	20 %	12 1/2 %	Canada	39
	Knitting machines and parts:				
	Full-fashioned hosiery.....	40 %	20 %	Germany	
	Parts of.....	40 %	20 %	Germany	1
	"Other" (include flat, tricot machines, and warp looms).....	27 1/2 %	20 %	Germany	38
	Parts of.....	27 1/2 %	20 %	Germany	43
	Looms:				
	Pile.....	40 %	20 %	Germany	1
	Other.....	40 %	20 %	Germany	47
	Parts.....	40 %	20 %	Germany	58
	Cream separators valued at more than \$100 each.....	25 %	12 1/2 %	Germany	58
	Parts of.....	25 %	12 1/2 %	Germany	11
	Apparatus for generation of acetylene gas from calcium carbide, and parts.....	15 %	10 %	Canada	3
	Other machines, finished or unfinished, n. s. p. f.:				
	Forged steel grinding balls.....	27 1/2 %	13 3/4 %	Germany	
	Carburetor type internal combustion engines.....	10 %	8 3/4 %	Canada	33
	Parts of.....	10 %	8 3/4 %	Canada	17
	"Other" tobacco machinery and parts.....	15 %	13 3/4 %	Sweden	61
	Compressors, air and gas.....	15 %	13 3/4 %	Canada	23
	Parts of.....	15 %	13 3/4 %	Canada	1
	Food preparing and manufacturing machinery and parts, n. e. s.	15 %	13 3/4 %	Italy	1
	Brewing machines and parts.....	15 %	13 3/4 %	Canada	1
	Mining machinery and parts.....	15 %	13 3/4 %	Canada	100
	Machines for making paper pulp or paper, and parts of.....	15 %	10 %	Canada	426
	Calculating machines and parts specially constructed for multi- plying and dividing, not having an electric motor as an essen- tial feature.....	15 %	12 1/2 %	Sweden	86
	"Other" wrapping and packaging machinery and parts (in- clude cigar bunching and cigarette packaging and wrapping machines).....	15 %	13 3/4 %	Canada	153
	Sawmill and other woodworking machines and parts:				
	Reciprocating gang-saw machines.....	15 %	13 3/4 %	Canada	
	Parts of.....	15 %	13 3/4 %	Canada	5
	Other and parts.....	15 %	13 3/4 %	Canada	424
	Machinery and parts, n. e. s.....	15 %	13 3/4 %	Canada, Germany	3,639
374	Aluminum metal and alloys, crude.....	2¢ lb.	1 1/2 ¢ lb.	Canada	21,569
377	Bismuth.....	3 3/4 %	1 1/2 %	Peru	834
380	German silver, or nickel silver, unmanufactured.....	20 % 34	10 % 34	Canada	
382 (a)	Bronze powder not of aluminum.....	14¢ lb.	10¢ lb.	Germany	14
	Aluminum bronze powder and powdered foil.....	12¢ lb.	6¢ lb.	Germany	12
388	Types, new.....	30 %	15 %	Germany	89
389	Nickel tubes or tubing:				
	Not cold-rolled, cold-drawn, or cold-worked.....	12 1/2 %	6 1/4 %	Canada	
	Cold-rolled, cold-drawn, or cold-worked.....	17 1/2 %	8 3/4 %	Canada	(1)
390	Bottle caps of metal, collapsible tubes, and sprinkler tops (except screw caps and patented closures):				
	Not decorated, enameled, plated, or embossed.....	15 %	12 1/2 %	France	7
	Decorated, enameled, plated, or embossed.....	20 %	17 1/2 %	Belux	60
391	Lead, contained in lead-bearing ores, fine dust, and mattes of all kinds, not actually recovered (except lead contained in copper, gold, or silver ores or copper mattes).....	1 1/2 ¢ lb. 41	3/4 ¢ lb. 41	Canada, Peru	
	Lead ores, fine dust, nes, and mattes.....	1 1/2 ¢ lb. 41	3/4 ¢ lb. 41	Canada, Peru	34,526
	Flue dust or fume containing lead and zinc, and other minerals or metals.....	1 1/2 ¢ lb. 41	3/4 ¢ lb. 41	Canada, Peru	
392	Lead:				
	Bullion or base bullion.....	2 1/2 ¢ lb. 41	1 1/2 ¢ lb. 41	Canada, Peru	376
	Pigs and bars.....	2 1/2 ¢ lb. 41	1 1/2 ¢ lb. 41	Canada, Peru	80,048
	Reclaimed, scrap, dross, and lead, nes (except antimonial lead).....	2 1/2 ¢ lb. 41	1 1/2 ¢ lb. 41	Canada, Peru	4,004
	Type metal and antimonial lead.....	2 1/2 ¢ lb. 41	1 1/2 ¢ lb. 41	Canada, Peru	2,256
	Babbitt metal and solder.....	2 1/2 ¢ lb. 41	1 1/2 ¢ lb. 41	Canada, Peru	269
	Alloys and combinations of lead, n. s. p. f.:				
	In chief value of lead.....	2 1/2 ¢ lb. 41	1 1/2 ¢ lb. 41	Canada, Peru	5
	Not in chief value of lead (include leady antimony and white metal).....	2 1/2 ¢ lb. 41	1 1/2 ¢ lb. 41	Canada, Peru	150
	Pipe, sheets, shot, glaziers' and wire.....	2 1/2 ¢ lb.	1 1/2 ¢ lb.	Canada, Peru	101

Footnotes at end of table.

Tariff paragraph	Commodity description	Rate of duty		Torquay negotiating country	Total United States imports for consumption, 1949
		Jan. 1, 1951	Under Torquay Agreement		
SCHEDULE 3—METALS AND MANUFACTURES OF—continued					
393	Zinc-bearing ores (except pyrites containing not more than 3% zinc)	3½¢ lb. ⁴²	3½¢ lb. ⁴²	Canada, Peru	Thous. of dol. 16,008
394	Zinc contained in zinc-bearing ores, nes, not recoverable	3½¢ lb. ⁴²	3½¢ lb. ⁴²	Canada, Peru	
	Zinc in blocks, pigs or slabs	¾¢ lb.	¾¢ lb.	Canada, Peru	29,341
395	Zinc dust	¾¢ lb.	¾¢ lb.	Canada, Peru	4
396	Embossing rollers of metal	30%	15%	Germany	19
	Bit braces	45%	22½%	Germany	653
	Pipe tools, wrenches, spanners, screw-drivers, vises, hammers, and parts, of metal	45%	22½%	Germany	26
	Calipers, rules, micrometers, and parts, of metal	45%	22½%	Germany	
	Folding rules of aluminum and parts	65% ⁴³	32½%	Germany	85
397	Articles or wares, n. s. p. f., whether partly or wholly manufactured: Plated with platinum, but not in chief value thereof	65%	32½%	France	(1)
	Composed wholly or in chief value of iron, steel, lead, copper, brass, nickel, pewter, zinc, aluminum, or other metal, but not plated with platinum, gold, or silver, or colored with gold lacquer:				
	Lead rivets, nuts, washers, and screws, having shanks, threads, or holes not over 0.24-inch in diameter	2¢ lb.; 15% min.; 30% max.	2¢ lb.; 15% min.; 30% max.	Germany	
	Lead manufactures, n. s. p. f.	2¢ lb.; 15% min.; 45% max.	2¢ lb.; 15% min.; 30% max.	Germany	29
	Wire fencing and netting composed of wires smaller than ⅜100-inch, not smaller than ⅜100-inch in diameter, if coated with zinc or metal before weaving	30%	25%	Germany	
	Tin manufactures, n. s. p. f.	22½%	12%	France	25
	Tin plate manufactures, n. s. p. f:				
	Containers	22½%	12%	France	76
	Other	22½%	12%	France	88
	Heating and cooking stoves, n. s. p. f., and parts	22½%	12½%	Canada	8
	Styluses	22½%	11¼%	Canada	
	Blow torches and incandescent lamps operated by compressed air and kerosene or gasoline	22½%	12½%	Sweden	4
	Parts of carbonated water siphons (except of lead, tin, and tin plate)	22½%	12½%	France	(1)
SCHEDULE 4—WOOD AND MANUFACTURES OF					
404	Hardwood flooring:				
	Spanish cedar	5% plus \$1.50 M bd. ft. I. R. tax.	5% plus 75¢ M bd. ft. I. R. tax.	Dominican Republic	
	Lignum-vitae	7½% plus \$3 M bd. ft. I. R. tax.	7½% plus \$1.50 M bd. ft. I. R. tax.	Dominican Republic	
	Lancewood, ebony, and boxwood	7½% plus \$3 M bd. ft. I. R. tax.	7½% plus \$1.50 M bd. ft. I. R. tax.	Dominican Republic	
	Granadilla, rosewood, and satinwood	5% plus \$1.50 M bd. ft. I. R. tax.	5% plus 75¢ M bd. ft. I. R. tax.	Dominican Republic	
	Mahogany	5% plus \$1.50 M bd. ft.	5% plus 75¢ M bd. ft.	Dominican Republic	
405	Plywood:				
	Birch	20%	15%	Canada	1,969
	Parana pine	40%	25%	Brazil	25
	Other (except plywood of alder, red pine, and Spanish cedar and plywood with face ply of Western red cedar)	40%	20%	Benelux, Canada, and France. ⁴⁴	194
406	Blocks or sticks, heading and stove bolts, hubs for wheels, rough hewn, shaped, sawed or bored	5%	2½%	Canada	246
407	Beer barrels or kegs, empty, of wood	15%	7½%	Canada	
	Packing boxes, empty, and packing box shooks of wood, n. s. p. f.	15%	3¾% ⁴⁵	Canada	295
411	Baskets and bags of willow (osier)	50%	25%	Benelux	637
412	Wood moldings and carvings to be used in architectural and furniture decoration	40%	20%	Germany	7
	Paint-brush handles of wood	15%	10%	Canada	203
412	Manufactures wholly or in chief value of wood or bark, n. s. p. f.:				
	Broom and mop handles, not less than ¼ inch in diameter, not less than 38 inches long	15%	10%	Canada	115
	Canoes and canoe paddles	15%	10%	Canada	8
	Horse-drawn carriages, drays, trucks, and other horse-drawn vehicles and parts	16½%	10%	Canada	2
	Ice hockey sticks	15%	10%	Canada	26
	Toboggans	15%	10%	Canada	3
SCHEDULE 5—SUGAR, MOLASSES, AND MANUFACTURES OF					
501	Sugars, tank bottoms, sirups of cane juice, melada, concentrated melada, concrete and concentrated molasses, testing by the polariscope not above 75 sugar degrees, and all mixtures containing sugar and water, testing by the polariscope above 50 sugar degrees and not above 75 sugar degrees. And for each additional sugar degree shown by the polariscopic test.	0.4709375¢ lb. ⁴⁶	0.428125¢ lb. ⁴⁵	Dominican Republic, Peru.	45,349
	Note: Computed rate for 96 degree sugar	0.0103125¢ lb. additional for each sugar degree, and fractions of a degree in proportion.	0.009375¢ lb. additional for each sugar degree, and fractions of a degree in proportion. ⁴⁴	Dominican Republic, Peru.	
502	Molasses and sugar sirups, n. s. p. f., containing soluble nonsugar solids equal to 6 percent or less of the total soluble solids, testing not above 48 per centum total sugars. And for each additional per centum total sugars	0.6875¢ lb. 0.155¢ gal. ⁴⁸	0.625¢ lb. 0.135¢ gal. ⁴⁷	Dominican Republic.	23
	Note: Computed rate for 75% total sugars	0.1705¢ gal. additional for each 1%, and fractions of 1% in proportion. 4.7585¢ gal.	0.151¢ gal. additional for each 1%, and fractions of 1% in proportion. ⁴⁷ 4.212¢ gal.	Dominican Republic.	
SCHEDULE 6—TOBACCO AND MANUFACTURES OF					
601	Cigarette leaf tobacco, unstemmed (other than smoke-cured tobacco having the flavor and aroma characteristic of smoke-cured Latakia leaf tobacco).	20¢ lb.	15¢ lb.	Turkey	45,345
605	Cigars and cheroots.	\$4.20 lb. plus 25%	\$2.25 lb. plus 12½%	Benelux	5

Footnotes at end of table.

Tariff paragraph	Commodity description	Rate of duty		Torquay negotiating country	Total United States imports for consumption, 1949
		Jan. 1, 1951	Under Torquay Agreement		
SCHEDULE 7—AGRICULTURAL PRODUCTS AND PROVISIONS					
					Thous. of dol.
701.....	Beef and mutton tallow:				
	Edible.....	1½¢ lb. plus 1½¢ lb. I. R. tax.	1½¢ lb. plus ¾¢ lb. I. R. tax.	Canada.....	(1)
	Inedible.....	1½¢ lb. plus 1½¢ lb. I. R. tax.	1½¢ lb. plus ¾¢ lb. I. R. tax.	Canada.....	104
702.....	Sheep and lambs.....	\$3 head.	75¢ head ³	Canada.....	791
704.....	Reindeer meat, fresh, chilled, or frozen, n. s. p. f.	6¢ lb.	3¢ lb.	Norway.....	7
706.....	Meats, fresh, chilled or frozen, n. s. p. f. (except edible offal).....	6¢ lb.; 20% min.	3¢ lb.; 10% min.	Canada.....	
707.....	Cream.....	20¢ gal. ⁴⁵	15¢ gal. ⁴⁵	Canada.....	
		56.6¢ gal. ⁴⁹	56.6¢ gal. ⁴⁹		
708 (c).....	Malted milk and compounds, or mixtures of, or substitutes for, milk or cream.	35%.....	17½%.....	Canada.....	(1)
710.....	Cheese:				
	Romano in original loaves made from cows' milk.....	5¢ lb.; 25% min. ⁸	5¢ lb.; 20% min.	Italy.....	65 1,600
	Pecorino in original loaves not suitable for grating.....	5¢ lb.; 25% min. ⁸	5¢ lb.; 20% min.	Italy.....	65 200
	Reggiano in original loaves.....	5¢ lb.; 25% min.	5¢ lb.; 20% min.	Italy.....	65 500
	Parmesano in original loaves.....	5¢ lb.; 25% min.	5¢ lb.; 20% min.	Italy.....	65 11
	Provoloni in original loaves.....	5¢ lb.; 25% min.	5¢ lb.; 20% min.	Italy.....	65 535
	Provolette.....	5¢ lb.; 25% min.	5¢ lb.; 20% min.	Italy.....	65 21
	Cheddar, not processed otherwise than by division into pieces.....	3½¢ lb.; 17½% min.	3¢ lb.; 15% min.	Canada.....	964
	Edam and Gouda:				
	Containing 40 percent or more of butterfat.....	3½¢ lb.; 15% min.	3¢ lb.; 15% min.	Benelux.....	395
	Other.....	5¢ lb.; 25% min.	5¢ lb.; 20% min.	Benelux.....	2
	"Other" cheese and substitutes for cheese.....	5¢ lb.; 25% min.	5¢ lb.; 20% min.	Italy, Norway.....	65 1,100
711.....	Bob White quail, valued \$5 or less each.....	50¢ ea.	25¢ ea.	Benelux.....	(1)
	Game birds, other than Bob White quail, valued over \$2.50 and not over \$5 each.....	10%.....	25¢ ea.	Benelux.....	2
	Song birds, valued \$5 or less each.....	50¢ ea.	25¢ ea.	Benelux, Germany.....	204
	Other birds n. s. p. f., valued over \$2.50 and not over \$5 each.....	10%.....	25¢ ea.	Benelux.....	2
714.....	Horses, other than for breeding, and not for immediate slaughter:				
	Valued not over \$150 per head.....	\$10 head.	\$7.50 head.	Canada.....	154
	Valued over \$150 per head.....	15%.....	8¾%.....	Canada.....	174
717 (a).....	Mackerel, fresh, whole or beheaded, or eviscerated, or both.....	¾¢ lb.	¾¢ lb.	Canada.....	65
718 (a).....	Fish, prepared or preserved in any manner, when packed in oil or oil and other substances:				
	Bonito and yellow tail:				
	Valued not over 9 cents per pound ⁵¹	30½%.....	22%.....	Peru.....	2
	Valued over 9 cents per pound ⁵¹	21%.....	15%.....	Peru.....	3,015
	Sardines neither skinned nor boned, but smoked before canning, valued over 18 not 23 cents per pound. ⁵¹	20%.....	15%.....	Norway.....	65 6
	Anchovies, valued not over 9 cents per pound ⁵¹	22% ⁸	22%.....	Italy.....	2
	Antipasto, valued not over 9 cents per pound ⁵¹	44%.....	22%.....	Italy.....	(1)
718 (b).....	Fish not in oil or in oil and other substances, in airtight containers weighing, with contents, not over 15 pounds each:				
	Salmon.....	25%.....	15%.....	Canada.....	255
	Sardines in immediate containers weighing, with contents, less than 8 ounces.....	12½%.....	10%.....	Norway.....	65 306
	"Other" sardines and "other" herring (include snacks, tidbits, rollmops, sprats).....	12½%.....	6¼%.....	Norway.....	65 949
	Fish cakes, balls, and pudding.....	12½%.....	6¼%.....	Norway.....	184
719 (4).....	Herring, pickled or salted (include sprats, pilchards, and anchovies):				
	In containers, not airtight, weighing, with contents, not more than 15 pounds each.....	15%.....	12½%.....	Benelux.....	
	In containers, weighing, with contents, more than 15 pounds each and containing each not more than 10 pounds of herring.....	1½¢ lb. ⁵²	¾¢ lb. ⁵²	Benelux.....	181
720 (a) (2).....	Herring, smoked or kippered (except hard-dry smoked), whole or beheaded, not packed in oil or in oil and other substances and not packed in airtight containers weighing, with contents, 15 pounds or less each.....	1¢ lb.	¾¢ lb.	Norway.....	23
720 (a) (6).....	"Other" fish, smoke or kippered, not in oil or in oil and other substances and not packed in airtight containers, weighing with contents not more than 15 pounds each.....	10%.....	6¼%.....	Norway.....	8
721 (b).....	Razor clams, canned.....	10%.....	7½%.....	Canada.....	13
	Clam chowder, clam juice, and clam juice in combination with other substances.....	35%.....	17½%.....	Canada.....	4
721 (c).....	Fish paste and fish sauce.....	15%.....	10%.....	Norway.....	51
721 (d).....	Caviar and other fish roe (except sturgeon):				
	Not boiled or not packed in airtight containers.....	10¢ lb.	5¢ lb.	Canada.....	67
	Boiled and packed in airtight containers.....	15%.....	7½%.....	Norway.....	29
724.....	Hybrid seed corn (or maize), certified.....	25¢ bu. (56 lbs.)	12½¢ bu. (56 lbs.)	Canada.....	65 323
726.....	Oatmeal, rolled oats, oat grits, and similar oat products.....	10¢; 40¢ per 100 lbs. min.; 80¢ per 100 lbs. max.	10¢; 20¢ per 100 lbs. min.; 80¢ per 100 lbs. max.	Canada.....	14
	Oats, unhulled, ground.....	25¢ per 100 lbs.	12½¢ per 100 lbs.	Canada.....	4
728.....	Rye malt.....	30¢ per 100 lbs.	22½¢ per 100 lbs.	Canada.....	
	Rye flour and meal.....	30¢ per 100 lbs.	22½¢ per 100 lbs.	Canada.....	(1)
730.....	Mixed feeds.....	5%.....	2½%.....	Canada.....	58
	Dogfood, unfit for human consumption, canned and dried, containing grain products.....	5%.....	2½%.....	Canada.....	(1)
732.....	Cereal breakfast foods and preparations, n. s. p. f.....	10%.....	5%.....	Canada.....	23
736.....	Blueberries:				
	Frozen.....	10%.....	8¾%.....	Canada.....	610
	Otherwise prepared or preserved, n. s. p. f.....	10%.....	8¾%.....	Canada.....	1
740.....	Figs, fresh, dried, or in brine:				
	Valued less than 7¢ pound.....	3¢ lb.	2½¢ lb.	Turkey.....	1
	Valued 7 cents or more per pound.....	3¢ lb.	2½¢ lb.	Turkey.....	583
742.....	Grapes (except hothouse), imported for consumption July 1 to the following Feb. 14, inclusive.	17½¢ cu. ft.	12½¢ cu. ft.	Canada.....	227
	Raisins made from seedless grapes:				
	Sultana.....	1½¢ lb.	1¢ lb.	Turkey.....	8
	Other.....	1½¢ lb.	1½¢ lb.	Turkey.....	2
752.....	Cantaloupes, imported for consumption Aug. 1 to Sept. 15, inclusive.	25%.....	20%.....	Canada.....	8
	Candied, crystallized, or glace apricots, figs, dates, peaches, pears, plums, prunes, prunelles, berries, and other fruits, n. s. p. f.....	15%.....	12½%.....	France.....	1
	Guavas in brine, pickled, dried, desiccated or evaporated.....	31%.....	17½%.....	Dominican Republic.....	30
	Bananas (except dried, desiccated, or evaporated), plantains, papayas, cashew apples, mameyes colorados, sweetsops, soursops, and sapodillas, in brine, pickled, dried, desiccated, evaporated, or otherwise prepared or preserved, n. s. p. f.....	31%.....	17½%.....	Dominican Republic.....	
	Mixtures of 2 or more fruits, prepared or preserved.....	21%.....	17½%.....	Dominican Republic.....	

Footnotes at end of table.

Tariff paragraph	Commodity description	Rate of duty		Torquay negotiating country	Total United States imports for consumption, 1949
		Jan. 1, 1951	Under Torquay Agreement		
SCHEDULE 7—AGRICULTURAL PRODUCTS AND PROVISIONS—continued					
753.....	Bulbs, bulb roots, or corms, cultivated for flowers or foliage:				Thous. of dol.
	Tulip bulbs.....	\$3 M.	\$2 M.	Benelux.....	3,760
	Lily bulbs.....	\$6 M.	\$4.50 M.	Benelux.....	412
	Narcissus bulbs.....	\$5 M.	\$3 M.	Benelux.....	1,093
	Lily of the valley pips.....	\$8 M.	\$3 M.	Denmark, Germany.....	57
	Bulbs, roots, rootstocks, clumps, corms, etc., n. e. s.	10%	7½%	Benelux.....	1,733
754.....	Orchids, cut, fresh, dried, prepared, or preserved.....	25%	12½%	Denmark.....	25
	Seedlings and cuttings of Manetti, multiflora, and brier rose, rugosa, and other rose stock 3 years old or less.....	\$1 M.	50¢ M.	Benelux.....	12
756.....	Chestnuts, including marrons, candied or prepared or preserved in any manner (include dried and peeled chestnut kernels).....	8¢ lb.	6¼¢ lb.	Italy.....	64
757.....	Shelled filberts.....	8¢ lb.	8¢ lb.	Turkey.....	1,543
762.....	Sunflower seed.....	2¢ lb.	1¢ lb.	Canada.....	26
763.....	Grass and other forage crop seeds:				
	Vetch, other than hairy vetch.....	1½¢ lb.	1¢ lb.	Turkey.....	389
	Kentucky bluegrass seed.....	2¢ lb.	1½¢ lb.	Denmark.....	17
764.....	Garden and field seeds:				
	Beet (except sugar beet) (include Swiss chard).....	2¢ lb.	1½¢ lb.	Benelux.....	2
	Cabbage.....	5¢ lb.	3¢ lb.	Benelux, Denmark.....	51
	Canary.....	¼¢ lb.	¼¢ lb.	France, Turkey.....	595
	Carrot.....	3¢ lb.	1½¢ lb.	Benelux.....	(1)
	Cauliflower.....	25¢ lb.	12½¢ lb.	Benelux, Denmark.....	68
	Kale.....	2¢ lb.	1½¢ lb.	Benelux.....	12
	Kohlrabi.....	5¢ lb.	4¢ lb.	Benelux, Denmark.....	3
	Parsley.....	2¢ lb.	1¢ lb.	France.....	(1)
	Parsnip.....	3¢ lb.	2¢ lb.	Benelux.....	5
	Radish.....	2¢ lb.	1½¢ lb.	Benelux.....	94
	Spinach.....	½¢ lb.	¼¢ lb.	Benelux.....	247
	Turnip, other than rutabaga.....	2¢ lb.	1½¢ lb.	Benelux.....	176
	Rutabaga.....	2¢ lb.	1½¢ lb.	Benelux, Denmark.....	15
	Flower.....	3¢ lb.	1½¢ lb.	Benelux, Denmark.....	336
	Seeds, n. s. p. f. (except sesbania seed).....	2¢ lb.	1½¢ lb.	Benelux.....	186
766.....	Beets, fresh (other than sugar beets).....	10%	6%	Canada.....	284
768.....	Mushrooms, canned, or otherwise prepared or preserved (except dried).....	5¢ lb. ^s plus 15%.....	4¢ lb. ^s plus 12½%.....	France.....	225
770.....	Onion sets.....	2½¢ lb.	1½¢ lb.	Canada.....	(1)
771.....	Vegetables in their natural state:				
	Cauliflower, imported for consumption Aug. 6 to Oct. 15, inclusive.....	25%	12½%	Canada.....	(1)
	Radishes, imported for consumption, Sept. 1 to following June 30, inclusive.....	25%	12½%	Canada.....	(1)
	Horseradish, crude.....	3¢ lb.	1½¢ lb.	Sweden.....	25
775.....	Cucumbers, pickled.....	25%	17½%	Benelux.....	161
	Onions, pickled or packed in salt or in brine.....	15%	12½%	Benelux.....	264
777 (a).....	Cocoa, unsweetened.....	1¢ lb. ^{s2}	¾¢ lb. ^{s2}	Benelux.....	2,079
	Chocolate, unsweetened.....	1¢ lb. ^{s2}	¾¢ lb. ^{s2}	Benelux, Dominican Republic.....	1,563
777 (b).....	Cocoa, sweetened, valued 10 cents or more per pound.....	15%	10%	Benelux.....	4
	Chocolate, sweetened:				
	In bars or blocks weighing 10 pounds or more each.....	1½¢ lb.	1¢ lb.	Benelux, Dominican Republic.....	17
	In any other form, whether or not prepared, and valued at 10 cents or more per pound.....	15%	10%	Benelux, Dominican Republic.....	370
780.....	Hop extract.....	\$2.40 lb.	\$1.20 lb.	Benelux.....	
781.....	Mustard seed, whole.....	1¼¢ lb.	¾¢ lb.	Canada, Denmark.....	(65)
	Marjoram leaves, in glass or other small packages.....	25%	12½%	France.....	1
783.....	Raw cotton (except linters):				
	Staple 1¼ or more, but less than 1½ inches.....	3¼¢ lb.	3¼¢ lb. ^{s4}	Peru.....	25
	Staple 1½ or more, but less than 1¾ inches.....	3¼¢ lb.	3¼¢ lb. ^{s4}	Peru.....	2,330
	Staple 1¾ or more, but less than 1¾½ inches.....	3¼¢ lb.	3¼¢ lb. ^{s4}	Peru.....	5,182
	Staple 1¾½ inches and over.....	3¼¢ lb.	1¾¢ lb.	Peru.....	1,692
SCHEDULE 8—SPIRITS, WINES AND OTHER BEVERAGES					
802.....	Whiskey (except Scotch, Scotch type, Irish, and Irish type):				
	Aged in wooden containers at least 4 years prior to entry:				
	In containers holding each 1 gallon or less (in cases).....	\$1.50 pf. gal.	\$1.25 pf. gal.	Canada.....	⁶⁵ 24,884
	In containers holding each more than 1 gallon (in casks or barrels).....	\$1.50 pf. gal.	\$1.25 pf. gal.	Canada.....	⁶⁵ 1,564
	Other.....	\$1.50 pf. gal.	\$1.25 pf. gal.	Canada.....	⁶⁵ 156
803.....	Arrack.....	\$5 pf. gal.	\$2.50 pf. gal.	Benelux.....	(1)
	Champagne and all other sparkling wines, valued not more than \$6 per gallon.....	\$2 gal.	\$1.50 gal.	France.....	418
804.....	Still wines containing not more than 24% alcohol:				
	Still wines (except vermouth) produced from grapes:				
	Containing 14% or less of alcohol:				
	In containers holding each 1 gallon or less.....	40¢ gal.	37½¢ gal.	France, Germany.....	3,528
	In containers holding each more than 1 gallon.....	75¢ gal.	62½¢ gal.	France.....	14
	Containing more than 14%, but not more than 24% of alcohol:				
	Marsala-type in containers holding each 1 gallon or less.....	\$1.25 gal.	62½¢ gal.	Italy.....	⁶⁵ 81
	"Other", n. e. s. (including ginger wine or ginger cordial):				
	In containers holding each 1 gallon or less.....	62½¢ gal.	62½¢ gal.	Denmark.....	151
	In containers holding each more than 1 gallon.....	62½¢ gal.	62½¢ gal.	Denmark.....	1
805.....	Liquid malt, malt sirup, and fluid malt extracts, n. e. s.:				
	For use in baking, manufacturing, etc.....	\$1 gal.	50¢ gal.	Benelux, Canada.....	
	Other.....	\$1 gal.	50¢ gal.	Benelux.....	
	Malt extract, solid or condensed:				
	For use in baking, manufacturing, etc.....	60%	30%	Benelux.....	
	Other.....	60%	30%	Benelux, Canada.....	
806 (a).....	Grape juice, grape sirup, and similar grape products:				
	Containing or producing less than 1% alcohol.....	70¢ gal.	45¢ gal.	Canada.....	(1)
	Containing or producing 1% or more alcohol.....	70¢ gal. plus \$5 pf. gal. ^{s3}	45¢ gal. plus \$2.50 pf. gal. ^{s3}	Canada.....	

Footnotes at end of table.

Tariff paragraph	Commodity description	Rate of duty		Torquay negotiating country	Total United States imports for consumption, 1949
		Jan. 1, 1951	Under Torquay Agreement		
SCHEDULE 9—COTTON MANUFACTURES					
907	Filled or coated cotton cloths, n. s. p. f.	12½%	10%	Benelux	Thous. of dol. 22
909	Cotton twill-back velveteens, in the piece, cut or uncut:				
	Valued less than 65 cents per square yard	25¢ sq. yd.; 25% min.; 44% max.	25¢ sq. yd.; 22½% min.; 44% max.	Italy	152
	Valued 65 cents or more per square yard				
911 (a)	Cotton blankets and blanket cloth, napped or unnapped:				
	Not Jacquard-figured:				
	Blankets	30%; 14¼ lb. min.	15%; 7½ lb. min.	Germany	
	Blanket cloth	30%; 14¼ lb. min.	15%; 7½ lb. min.	Germany	
	Jacquard-figured:				
	Blankets	45%	30%	Benelux	(1)
	Blanket cloth	45%	30%	Benelux	(1)
911 (b)	Polishing, dust, and mop-cloths, wholly or in chief value of cotton, not pile fabric.	15%	12½%	Benelux	11
912	Miscellaneous articles of cotton, or cotton and rubber:				
	Fabrics with fast edges, not exceeding 12 inches in width, and articles made from them, n. s. p. f.	35%	17½%	Germany	11
	Garters, suspenders, and braces	20%	17½%	France	3
	Loom barness, healds, and collets of vegetable fiber	35%	17½%	Canada, France	
	Labels, for garments or other articles of vegetable fiber	15%	12½%	Benelux	1
916 (b)	Hose and half-hose, made or cut from knitted fabric of vegetable fiber, n. s. p. f.	30%	15%	France	5
923	Manufactures, wholly or chief value of cotton, n. s. p. f.:				
	Terry-woven towels valued 45 cents or more each	22½ lb.; 20% min.; 35% max.	22½ lb.; 15% min.; 35% max.	Benelux	4
	"Other" articles and manufactures of cotton n. s. p. f. (except articles of pile construction).	40%	30%	Austria	550
SCHEDULE 10—FLAX, HEMP, JUTE, AND MANUFACTURES OF					
1001	Unmanufactured flax:				
	Straw	\$1.50 ton	75¢ ton	Canada	21
	Tow	1½ lb.	1½ lb.	Canada	224
1017	Wearing apparel of vegetable fiber other than cotton, n. s. p. f. (not including shirt collars and cuffs of flax).	20%	17½%	France	21
1021	Carpets, carpeting, mats, matting, and rugs, wholly or in chief value of flax or hemp, or a mixture of them, or a mixture of either or both with jute.	17½%	17½%	Benelux	70
SCHEDULE 11—WOOL AND MANUFACTURES OF					
1102 (b)	Hair of the alpaca, llama, and vicuna:				
	In the grease	18¢ lb. ⁵⁰	9¢ lb. ⁵⁰	Peru	258
	On the skin	16¢ lb. ⁵⁰	8¢ lb. ⁵⁰	Peru	
	Washed	18¢ lb. ⁵⁰	9¢ lb. ⁵⁰	Peru	1,212
	Sorted, or matchings, if not scoured	19¢ lb. ⁵⁰	9½¢ lb. ⁵⁰	Peru	2
	Scoured	21¢ lb. ⁵⁰	10½¢ lb. ⁵⁰	Peru	24
1105 (a)	Garnetted wool waste	14½¢ lb.	12½¢ lb.	Benelux	24
	Wool noils, carbonized	17¢ lb.	16¢ lb.	Benelux	222
	Wool thread or yarn waste	11½¢ lb.	10¢ lb.	Benelux	2,362
	Wool card or burr waste, not carbonized	10½¢ lb.	9¢ lb.	Benelux	349
	Wool wastes, n. s. p. f.	10½¢ lb.	9¢ lb.	Benelux	111
1106	Tops of hair (include camel's hair, mohair, wool, alpaca, and vicuna tops).	27½ lb. plus 12½%	27½ lb. plus 6¼%	Benelux	3,024
	Other wool, advanced, but not further advanced than roving	27½ lb. plus 12½%	27½ lb. plus 6¼%	Benelux	105
1107	Yarns of wool and other hair (including mohair yarns, but excluding yarns of Angora rabbit hair):				
	Valued not over 60¢ per pound	30¢ lb. plus 20%	30¢ lb. plus 15%	Germany	(1)
	Valued over 60¢, not over \$1 per pound	30¢ lb. plus 20%	30¢ lb. plus 15%	Germany	28
	Valued over \$1, not over \$1.50 per pound	30¢ lb. plus 20%	30¢ lb. plus 15%	Germany	66
	Valued over \$1.50 per pound	30¢ lb. plus 20%	30¢ lb. plus 15%	Germany	3,243
1109 (a)	Green billiard cloths in the piece, weighing more than 11 ounces but not more than 15 ounces per square yard, wholly of wool:				
	Valued not over \$1.25 per pound	37½ lb. plus 25%	37½ lb. plus 20%	Benelux	(1)
	Valued over \$1.25, not over \$2 per pound	37½ lb. plus 25%	37½ lb. plus 20%	Benelux	
	Valued over \$2 per pound	37½ lb. plus 25%	37½ lb. plus 20%	Benelux	120
1109 (b)	Felts, belts, etc., woven, for machines:				
	Valued not over \$1.25 per pound	37½ lb. plus 20%	37½ lb. plus 15%	France	
	Valued over \$1.25, not over \$2 per pound	37½ lb. plus 20%	37½ lb. plus 15%	France	1
	Valued over \$2 per pound	37½ lb. plus 20%	37½ lb. plus 15%	France	3
1111	Blankets, hand-woven, not exceeding 3 yards in length, plain or embroidered:				
	Valued not over \$1 per pound	30¢ lb. plus 36%	30¢ lb. plus 30%	Peru	1
	Valued over \$1, not over \$1.50 per pound	33¢ lb. plus 37½%	30¢ lb. plus 30%	Peru	(1)
	Valued over \$1.50 per pound	40¢ lb. plus 40%	30¢ lb. plus 30%	Peru	5
	Carriage and automobile robes, steamer rugs, etc., made as units or in the piece, handwoven, finished or unfinished, not exceeding 3 yards in length, plain or embroidered:				
	Valued not over \$1 per pound	30¢ lb. plus 36%	30¢ lb. plus 30%	Peru	(1)
	Valued over \$1, not over \$1.50 per pound	33¢ lb. plus 37½%	30¢ lb. plus 30%	Peru	(1)
	Valued over \$1.50 per pound	40¢ lb. plus 40%	30¢ lb. plus 30%	Peru	2
1114 (d)	Outerwear and other articles of wool, knit or crocheted, n. s. p. f., valued over \$5 per pound.	37½ lb. plus 20%	37½ lb. plus 20%	Austria	3,752
1116 (a)	Oriental, Axminster, Savonnerie, Aubusson, and other carpets and carpeting, mats, rugs, art squares, etc., not made on a power-loom, if wholly or in chief value of hair of the alpaca, llama, guanaco, huarizo, suri, misti, or a combination of the hair of two or more of these species.	15¢ sq. ft.; 22½% min.	12½¢ sq. ft.; 11¼% min.	Peru	63
1116 (b)	Oriental weave carpets, rugs, etc., of wool, produced on a power-driven loom.	30%	25%	Benelux	136
1117 (a)	Carpets, rugs, mats, etc., and parts of:				
	Valued not over 40 cents per square foot:				
	Axminster, n. s. p. f.	30%	25%	Benelux	24
	Wilton	40%	25%	Benelux	188
	Brussels	30%	25%	Benelux	18
	Velvet and tapestry	30%	25%	Benelux	165
	Carpets and rugs of like character (except Wilton), n. s. p. f.	30%	25%	Benelux	65
	Valued over 40 cents per square foot:				
	Axminster, n. s. p. f.	30%	25%	Benelux	119
	Wilton	30%	25%	Benelux	2,762
	Brussels	30%	25%	Benelux	22
	Velvet and tapestry	30%	25%	Benelux	93
	Carpets and rugs of like character	30%	25%	Benelux	608

Footnotes at end of table.

Tariff paragraph	Commodity description	Rate of duty		Torquay negotiating country	Total United States imports for consumption, 1949
		Jan. 1, 1951	Under Torquay Agreement		
SCHEDULE 11—WOOL AND MANUFACTURES OF—continued					
1117 (c)	Floor coverings, including mats and druggets, n. s. p. f., valued at more than 40 cents per square foot, wholly or in chief value of hair of the alpaca, llama, guanaco, buarizo, suri, misti, or any combination of them.	40%	30%	Peru	Thous. of dol.
1119	Tapestry and upbolstery goods of wool (not including pile fabrics) weighing over 4 ounces per square yard:				
	Valued not over 80 cents per pound:	37½¢ plus 25%	37½¢ lb. plus 22½%	Austria	(1)
	Valued over 80 cents, not over \$1.25 per pound:	37½¢ plus 25%	37½¢ lb. plus 22½%	Austria	(1)
	Valued over \$1.25, not over \$2.00 per pound:	37½¢ lb. plus 25%	37½¢ lb. plus 22½%	Austria	39
	Valued over \$2 per pound:	37½¢ lb. plus 25%	37½¢ lb. plus 17½%	Austria	
SCHEDULE 12—SILK MANUFACTURES					
1202	Spun silk or scabappe silk yarn, or yarn of silk and rayon or other synthetic textile, and roving:				
	Singles:				
	Not bleached, dyed, or colored:	40%	25%	Benelux, Italy	47
	Bleached, dyed, or colored:	50%	30%	Benelux, Italy	8
	Plied:				
	Not bleached, dyed, or colored:	50%	30%	Benelux, Italy	
	Bleached, dyed, or colored:	50%	30%	Benelux	3
1203	Tbrown silk not more advanced than singles, tram, or organzine:	20%	10%	Canada	507
1204	Sewing silk, twist, floss, and silk threads or yarns, n. s. p. f.:	40%	20%	Canada	10
1205	Woven fabrics, wholly of silk, or silk-mixed:				
	Exceeding 30 inches in width:				
	Jacquard-figured:				
	In the gray:	65%	32½%	Italy	(1)
	Bleached, printed, piece-dyed, or yarn-dyed, if silk-mixed and valued over \$5 per pound:	35%	32½%	Italy	114
	Not jacquard-figured:				
	Bleached, printed, piece-dyed, or yarn-dyed, if silk-mixed:				
	Valued \$5 or less per pound:	55%	27½%	Italy	6
	Valued over \$5 per pound:	30%	27½%	Italy	46
	Not exceeding 30 inches in width (includes umbrella silk or Gloria cloth), bleached, printed, dyed, or colored, if silk-mixed and valued over \$5 per pound:				
	Not jacquard-figured:	30%	27½%	Italy	21
	Jacquard-figured:	35%	32½%	Italy	104
1207	Fabrics with fast edges of silk, not over 12 inches wide, and articles made therefrom:				
	Jacquard-figured:				
	Ribbons:	25%	22½%	France	(1)
	Bandings, heltings, bindings, etc.	25%	22½%	France	
	Garters, suspenders, and braces:	20%	17½%	France	(1)
	Not jacquard-figured:				
	Ribbons:	25%	22½%	France	13
	Bandings, beltings, bindings, etc.	25%	22½%	France	3
	Garters, suspenders, and braces:	20%	17½%	France	1
	Tubings:	25%	22½%	France	32
	Cords and tassels:	25%	22½%	France	(1)
1208	Knit fabric of silk in the piece:	30%	27½%	France	36
1210	Silk wearing apparel, not knit or crocheted, not embroidered or of lace:	35%	32½%	France	1,277
1211	Other manufactures wholly or in chief value of silk, n. s. p. f.:	35%	32½%	Italy	120
SCHEDULE 13—MANUFACTURES OF RAYON OR OTHER SYNTHETIC TEXTILE					
1301	Yarns of rayon or other synthetic fiber:				
	Having not more than 20 turns twist per inch:				
	Singles, weighing per length of 450 meters:				
	Less than 150 deniers:	27½%; 32½¢ lb. min.	25%; 27½¢ lb. min.	Benelux	203
	Plied, weighing per length of 450 meters:				
	150 deniers or more:	25%; 27½¢ lb. min.	25%; 25¢ lb. min.	Benelux	(1)
	Less than 150 deniers:	30%; 37½¢ lb. min.	27½%; 32½¢ lb. min.	Benelux	1
	Having more than 20 turns twist per inch:				
	Singles, weighing per length of 450 meters:				
	Less than 150 deniers:	27½%; 32½¢ lb. min. ⁶⁰	25%; 27½¢ lb. min. ⁶⁰	Benelux	
	Plied, weighing per length of 450 meters:				
	150 deniers or more:	25%; 27½¢ lb. min. ⁶⁰	25%; 25¢ lb. min. ⁶⁰	Benelux	
	Less than 150 deniers:	30%; 37½¢ lb. min. ⁶⁰	27½%; 32½¢ lb. min. ⁶⁰	Benelux	(1)
1302	Filaments of rayon or other synthetic textile, not exceeding 30 inches in length other than waste (whether known as out fiber, staple fiber, or by any other name):	20%	15%	Benelux	4,841
1304	Yarns of rayon or other synthetic textile, put up for bandwork:	30%; 27½¢ lb. min.	27½%; 25¢ lb. min.	France	(1)
1305	Sewing thread of rayon or other synthetic textile:	30%; 27½¢ lb. min.	27½%; 25¢ lb. min.	France	(1)
1306	Rayon or other synthetic textile in hands or strips not exceeding 1 inch in width, suitable for manufacture of textiles:	25%; 27½¢ lb. min.	25%; 25¢ lb. min.	France	20
1306	Woven fabrics in the piece of rayon and other synthetic textile, n. s. p. f.:				
	Valued not more than \$4 per pound:				
	Not Jacquard-figured:	27½¢ lb. plus 45%	25¢ lb. plus 22½%	France, Italy	195
	Jacquard-figured:	27½¢ lb. plus 45%	25¢ lb. plus 22½%	France, Italy	15
	Valued more than \$4 per pound:				
	Not Jacquard-figured:	27½¢ lb. plus 22½%	25¢ lb. plus 22½% ⁶¹	France	138
	Jacquard-figured:	27½¢ lb. plus 22½%	25¢ lb. plus 22½% ⁶¹	France	49
1308	Fabrics with fast edges of rayon or other synthetic textile not over 12 inches wide and articles made therefrom:				
	Ribbons:				
	Jacquard-figured:	27½¢ lb. plus 25%	25¢ lb. plus 25% ⁶¹	France	43
	Not Jacquard-figured:	27½¢ lb. plus 25%	25¢ lb. plus 25% ⁶¹	France	224
	Other, including garters, suspenders, and braces:				
	Jacquard-figured:	27½¢ lb. plus 25%	25¢ lb. plus 22½%	Benelux, France	2
	Not Jacquard-figured:	27½¢ lb. plus 25%	25¢ lb. plus 22½%	Benelux, France	6
	Tubings:	27½¢ lb. plus 25%	25¢ lb. plus 22½%	Benelux, France	
	Cords and tassels:	27½¢ lb. plus 25%	25¢ lb. plus 22½%	France	1

Footnotes at end of table.

Tariff paragraph	Commodity description	Rate of duty		Torquay negotiating country	*Total United States imports for consumption, 1949
		Jan. 1, 1951	Under Torquay Agreement		
SCHEDULE 13—MANUFACTURES OF RAYON OR OTHER SYNTHETIC TEXTILE—continued					Thous. of dol.
1309	Manufactures of rayon or other synthetic textile:				
	Knit fabric in the piece	27½¢ lb. plus 30%	25¢ lb. plus 30% ⁶¹	France	9
	Wearing apparel, n. e. s., knit or crocheted:				
	Gloves and mittens:				
	Valued less than \$1.50 per dozen pairs	27½¢ lb. plus 65%	25¢ lb. plus 65% ⁶¹	France	
	Valued \$1.50 or more per dozen pairs	27½¢ lb. plus 32½%	25¢ lb. plus 32½% ⁶¹	France	(1)
	Hose and half-hose	27½¢ lb. plus 35%	25¢ lb. plus 35% ⁶¹	France	3
	Underwear:				
	Valued not more than \$1.75 per pound	27½¢ lb. plus 35%	25¢ lb. plus 35% ⁶¹	France	
	Valued more than \$1.75 per pound	27½¢ lb. plus 35%	25¢ lb. plus 35% ⁶¹	France	2
	Outerwear and other articles, n. e. s.	27½¢ lb. plus 35%	25¢ lb. plus 32½%	France	34
1310	Handkerchiefs and woven mufflers of rayon or other synthetic textile:				
	Not hemmed	27½¢ lb. plus 60%	25¢ lb. plus 30%	France	(1)
	Hemmed or hemstitched	27½¢ lb. plus 65%	25¢ lb. plus 32½%	France	4
1311	Wearing apparel of rayon or other synthetic textile, not knit or crocheted, n. s. p. f.	27½¢ lb. plus 35%	25¢ lb. plus 32½%	France	59
1312	"Other" manufactures of rayon or other synthetic textile, n. s. p. f.	27½¢ lb. plus 35%	25¢ lb. plus 35% ⁶¹	France	169
SCHEDULE 14—PAPERS AND BOOKS					
1402	Leather board, or compress leather, counter board, and solid fiber shoeboard, not processed.	10%	7½%	Canada	123
1403	Filter masse or filter stock	20%	15%	Germany	12
1404	Tissue and papers similar to tissue, stereotype, copying, condenser, carbon, bibulous, pottery, waxing, india and bible papers, valued not more than 15¢ pound:				
	Weighing not over 6 pounds to the ream	3¢ lb. plus 10%	1½¢ lb. plus 5%	Norway	(1)
	Weighing over 6 and less than 10 pounds	2½¢ lb. plus 7½%	1½¢ lb. plus 3¾%	Sweden	3
1405	Surface-coated paper:				
	Embossed or printed, not lithographically	4½¢ lb. plus 10%	2½¢ lb. plus 10%	Canada	16
	Covered with metal or its solutions, n. s. p. f., or with gelatin, linseed oil cement, or flock.	4½¢ lb. plus 10%	2½¢ lb. plus 10%	Germany	33
	Covered with metal or its solutions, and weighing less than 15 pounds per ream.	4½¢ lb. plus 10%	2½¢ lb. plus 10%	Germany	4
	Uncoated papers, decorated or covered with a design, fancy effect, pattern or character, not embossed or printed otherwise than lithographically, or wholly or partly covered with metal, etc.:				
	Wrapping paper	4½¢ lb. plus 10%	2½¢ lb. plus 10%	Benelux	2
	Other papers	4½¢ lb. plus 10%	2½¢ lb. plus 10%	Germany	1
	Gummed papers, n. s. p. f.	5¢ lb.	2½¢ lb.	Canada	(1)
	Printed matter (other than lithographic) composed of surface-coated and other papers dutiable under par. 1405, n. s. p. f.	4½¢ lb. plus 10%	2½¢ lb. plus 10%	France	7
1405	Boxes of paper, papier mache, or wood, covered or lined:				
	With surfaced-coated, parchment, lithographed, or similar papers.	5¢ lb. plus 5%	2½¢ lb. plus 5%	France	47
	With cotton or other vegetable fiber	5¢ lb. plus 10%	2½¢ lb. plus 10%	France	48
	Unsensitized photographic paper:				
	Basic	5%	2½%	Germany	137
	Baryta coated	5%	2½%	Germany	144
1406	Lithographic prints:				
	Cigar bands, printed in 8 or more colors, not in metal leaf	35¢ lb.	25¢ lb.	Benelux	
	Printed in metal leaf:				
	Labels and flaps, n. e. s.	60¢ lb.	30¢ lb.	Canada	
	Labels, flaps, and bands (except cigar bands) not exceeding 10 square inches, embossed or die-cut.	65¢ lb.	32½¢ lb.	Benelux	
	Fashion magazines or periodicals printed in whole or in part by lithographic process or decorated by hand.	8¢ lb.	4¢ lb.	Austria	11
	Decalcomanias, in ceramic colors, weighing per 1,000 sheets of 20 x 30 inches:				
	Not over 100 pounds	\$1.25 lb. plus 15%	75¢ lb. plus 10%	Germany	2
	Over 100 pounds	30¢ lb. plus 15%	18¢ lb. plus 10%	Germany	35
1407 (a)	Drawing paper, and paper similar to drawing paper, weighing 8 pounds or more per ream, and valued less than 40 cents per pound:				
	Ruled, bordered, embossed, printed, lined or decorated (except by lithographic process).	3¢ lb. plus 25%	1½¢ lb. plus 12½%	Germany	
	Not ruled, bordered, embossed, etc.	3¢ lb. plus 15%	1½¢ lb. plus 7½%	Germany	4
1407 (b)	Sheets of writing, letter, and note paper, with border gummed or perforated, with or without inserts, prepared for use as combination sheet and envelope	40%	20%	France	(1)
1409	Hanging paper not printed, lithographed, dyed, or colored.	7½%	5%	Canada	3
1410	Printed matter not of bona fide foreign authorship (except books, including prayer books, pamphlets, music and tourist literature).	15%	10%	Canada	45
1410	Post cards (except American views), plain, decorated, embossed, or printed, except by lithographic process.	25%	15%	France	15
1413	Pulpboard in rolls for wallboard, surface stained, lined, or plate finished.	10%	7½%	Canada	1,344
	Stereotype-matrix mat or board, valued not more than ¼¢ cent per square inch.	35%	20%	Germany	
	Ribbon fly catchers or fly ribbons of paper.	27½%	20%	Benelux, Canada	
	Paper tubes for holding yarn and thread:				
	Parallel	1¢ lb. plus 25%	½¢ lb. plus 12½%	Germany	
	Tapered	3¢ lb. plus 35%	2¢ lb. plus 25%	Germany	(1)
SCHEDULE 15—SUNDRIES					
1502	Lacrosse sticks, n. s. p. f.	10%	7½%	Canada	17
	Ice skates	15%	12½%	Canada	179
	Parts of	15%	12½%	Canada	
	Roller skates	15%	10%	Canada	(1)
	Parts of	15%	10%	Canada	
1503	Spangles, n. s. p. f.	27½%	17½%	Benelux	10

Footnotes at end of table.

Tariff paragraph	Commodity description	Rate of duty		Torquay negotiating country	Total United States imports for con- sump- tion, 1949
		Jan. 1, 1951	Under Torquay Agreement		
	SCHEDULE 15—SUNDRIES—continued				
1529 (a)----	Articles (except wearing apparel) in part of hand-made lace over 2 inches in width, and in part of hand-made lace not over 2 inches in width, containing no machine-made material or article provided for in par. 1529 (a):				Thous. of dol.
	Valued more than \$50 and less than \$150 per pound:				
	Cotton-----				
	Flax, hemp, or ramie-----				
	Wool-----	60%-----	30%-----	Benelux-----	
	Silk-----				
	Rayon or other synthetic textile-----				
	Tinsel wire, lame or lahn, bullions, or metal thread-----				
	Valued \$150 or more per pound:				
	Cotton-----				
	Flax, hemp, or ramie-----				
	Wool-----	60%-----	22½% ³ -----	Benelux-----	(1)
	Silk-----				
	Rayon or other synthetic textile-----				
	Tinsel wire, lame or lahn, bullions, or metal thread-----				
	Lace, lace fabrics, and lace articles (except veils and veillings) made on a Levers (including go-through) lace machine, whether or not embroidered:				
	Made full gauge on a machine of 12-point or finer:				
	Cotton, if made with independent beams-----	40%-----	35%-----	France-----	3,894
	Silk-----	40%-----	35%-----	France-----	811
	Not made full gauge on a machine of 12-point or finer:				
	Cotton-----	75%-----	65%-----	France-----	273
	Rayon or other synthetic textiles-----	75%-----	65%-----	France-----	280
1529 (a)----	Flouncings, all-overs, neck-ruffings, flutings, quillings, ruchings, tuckings, insertings, galloons, edgings, trimmings, gimps, and ornaments, and articles wholly or in part thereof, but not in part of lace, and not ornamented:				
	Cotton:				
	Flouncings and all-overs and articles wholly or in part thereof				
	Neck ruffings, flutings, quillings, ruchings, tuckings, etc., and articles wholly or in part thereof-----				
	Flax, hemp, or ramie:				
	Flouncings and all-overs and articles wholly or in part thereof				
	Neck ruffings, flutings, quillings, ruchings, tuckings, etc., and articles wholly or in part thereof-----	50%-----	45%-----	France-----	62
	Wool-----				
	Silk-----				
	Rayon or other synthetic textile-----				
	Tinsel wire, lame or lahn, bullions, or metal threads-----				
1529 (a)----	Lace, lace fabrics, and lace articles (except veils or veillings) made on a bobbinet-Jacquard machine, whether or not embroidered:				
	Cotton-----				
	Flax, hemp, or ramie-----				
	Wool-----	35%-----	25%-----	France-----	180
	Silk-----				
	Rayon or other synthetic textiles-----				
	Tinsel wire, lame or lahn, bullions, or metal thread-----				
	Lace, lace fabrics, and lace articles (except veils and veillings), machine-made, n. e. s. (including Barmen):				
	Cotton-----				
	Flax, hemp, or ramie-----				
	Wool-----	60%-----	50%-----	France-----	53
	Silk-----				
	Rayon or other synthetic textiles-----				
	Tinsel wire, lame or lahn, bullions, or metal thread-----				
	Lace, lace fabrics, and lace articles (except wearing apparel) in part of hand-made lace and in part of machine-made lace or net (semi-hand-made lace):				
	Cotton-----				
	Flax, hemp, or ramie-----				
	Wool-----	90%-----	45%-----	Benelux-----	65 1
	Silk-----				
	Rayon or other synthetic textile-----				
	Tinsel wire, lame or lahn, bullions, or metal threads-----				
1529 (a)----	Articles (except wearing apparel) in part of machine-made lace, n. e. s.: Cotton-----				
	Flax, hemp, or ramie-----				
	Wool-----	90%-----	65%-----	France-----	65 5
	Silk-----				
	Rayon or other synthetic textile-----				
	Tinsel wire, lame or lahn, bullions, or metal threads-----				
	Veils and veillings made on any lace or net machine, whether or not embroidered: Silk-----	45%-----	32¼%-----	France-----	444
	Rayon or other synthetic textiles-----	45%-----	32¼%-----	France-----	530
	Nets and nettings, not embroidered, made on a bobbinet machine: Silk-----	45%-----	30%-----	France-----	254
	Rayon or other synthetic textile-----	45%-----	32¼%-----	France-----	445

Footnotes at end of table.

Tariff paragraph	Commodity description	Rate of duty		Torquay negotiating country	Total United States imports for consumption, 1949
		Jan. 1, 1951	Under Torquay Agreement		
	SCHEDULE 15—SUNDRIES—continued				Thous. of dol
1529 (a) ----	Braids provided for in par. 1529 (a) (except hat braids) and articles in part of such braids, but not in part of lace and not ornamented: Braids, loom woven and ornamented in weaving, or made by hand, or on a braid, knitting, or lace machine:				
	Cotton.....				
	Flax, hemp, or ramie.....				
	Wool.....	50%	45%	France.....	21
	Silk.....				
	Rayon or other synthetic textile.....				
	Tinsel wire, lame or lahn, bullions, or metal threads.....				
	Wearing apparel, in part of braids:				
	Cotton.....				
	Flax, hemp, or ramie.....				
	Wool.....	50%	45%	France.....	7
	Silk.....				
	Rayon or other synthetic textile.....				
	Tinsel wire, lame or lahn, bullions, or metal threads.....				
	Articles (not wearing apparel), in part of braids:				
	Cotton.....				
	Flax, hemp, or ramie.....				
	Wool.....	50%	45%	France.....	1
	Silk.....				
	Rayon or other synthetic textile.....				
	Tinsel wire, lame or lahn, bullions, or metal threads.....				
1529 (a) ----	Fabrics and articles (except wearing apparel), ornamented, but not in part of lace, however provided for in par. 1529 (a): Embroideries, n. e. s., including edgings, insertings, and galloons:				
	Wool.....				
	Silk.....				
	Rayon or other synthetic textile.....				
	Flouncing and all-overs, neck ruffings, flutings, quillings, ruchings, tuckings, trimmings, gimps, and ornaments, n. e. s.:				
	Wool.....				
	Silk.....				
	Rayon or other synthetic textile.....				
	Other ornamented fabrics and articles:				
	Wool.....				
	Silk.....				
	Rayon and other synthetic textile.....	50%	45%	France.....	458
	Ornamented fabrics and articles, n. e. s., wholly or in chief value of tinsel wire, lame or lahn, bullions, or metal threads.				
	Fabrics and articles of heads, bugles, and spangles:				
	Beaded ornaments and beaded trimmings.....				
	Other fabrics and articles (except beaded fringes) ornamented with beads, bugles, or spangles, or embroidered, tam-boured, appliqued, or scalloped:				
	Beaded handbags.....				
	Plates for beaded handbags.....				
	Other.....				
	Leather and leather articles, ornamented.....				
1529 (a) ----	Wearing apparel, wholly or in part of lace (except handkerchiefs, cotton fabric gloves, veils, body-supporting garments, and articles wholly of hand-made lace):				
	Of machine-made lace:				
	Cotton.....				
	Flax, hemp or ramie.....				
	Wool.....	50%	45%	France.....	34
	Silk.....				
	Rayon or other synthetic textile.....				
	Tinsel wire, lame or lahn, bullions, or metal threads.....				
	Of hand-made lace:				
	Cotton.....				
	Flax, hemp, or ramie.....				
	Wool.....	50%	45%	France.....	76
	Silk.....				
	Rayon or other synthetic textile.....				
	Tinsel wire, lame or lahn, bullions, or metal threads.....				
	Wearing apparel in part of fringes, not containing lace or embroidery:				
	Cotton.....				
	Flax, hemp, or ramie.....				
	Wool.....	50%	45%	France.....	48
	Silk.....				
	Rayon or other synthetic textile.....				
1529 (a) ----	Wearing apparel wholly or in part of net or netting, not ornamented:				
	Cotton.....				
	Flax, hemp, or ramie.....				
	Wool.....	90%	45%	France.....	(22)
	Silk.....				
	Rayon or other synthetic textile.....				
	Tinsel wire, lame or lahn, bullions, or metal threads.....				
1529 (b) ----	Silk handkerchiefs, ornamented, or wholly or in part of lace:				
	Valued not more than 70 cents per dozen and not made with hand-rolled or hand-made hems.....	2½ ea. plus 30%	2½ ea. plus 20%	France.....	
	Valued more than 70 cents per dozen, or if made with hand-rolled or hand-made hems.....	3½ ea. plus 30%	2½ ea. plus 20%	France.....	23
1529 (c) ----	Elastic fabrics, in part of india rubber.....	25%	20%	France.....	14
1530 (b) (4) -	Cattle side upper leather: Grains.....	12½%	10%	Canada.....	97
1530 (b) (5) -	Glove and garment leather, bovine.....	15%	10%	Canada.....	117
1530 (c) ----	Leather made from hides or skins of other than bovine species (except fancy leather):				
	Goat and kid (except shoe, glove, or garment).....	15%	10%	France.....	87
	Sheep and lamb (except shoe, glove, or garment).....	15%	10%	France.....	81
	"Other" glove and garment leather, n. e. s.....	15%	10%	Canada.....	103
1530 (e) ----	Boots, shoes, or other footwear (including athletic or sporting boots and shoes) made wholly or in chief value of leather, n. s. p. f.:				
	Skating boots and shoes, McKay sewed, attached to ice skates.....	15%	12½%	Canada.....	(9)
	"Other" boots, shoes, or other footwear, n. e. s.:				
	Men's.....	20%	10%	Canada.....	100
	Youths' and boys'.....	20%	10%	Canada.....	12
	Boots, shoes, and other footwear with uppers and soles in chief value of wool felt.....	35%	17½%	Canada.....	36

Footnotes at end of table.

Tariff paragraph	Commodity description	Rate of duty		Torquay negotiating country	Total United States imports for consumption, 1949 Thous. of dol.
		Jan. 1, 1951	Under Torquay Agreement		
SCHEDULE 15—SUNDRIES—continued					
1531	Leather (except reptile), rawhide, and parchment manufactures, fitted with traveling, bottle, drinking, dining or luncheon, sewing, manicure, and similar sets.	25%	20%	Germany	27
1535	Fishbooks, n. s. p. f.	35%	30%	Norway	1,093
1536	Wax manufactures (except skiwax), n. s. p. f.	20%	10%	Germany	3
1537 (a)	Manufactures of quills.	25%	12½%	France	8
	Manufactures of raffia palm leaf.	25%	12½%	France	300
1537 (b)	Rubber heels and soles.	25%	12½%	Canada	2
	"Other" gutta-percha manufactures, n. e. s.	25%	12½%	Germany	10
1539 (b)	Laminated products and manufactures of laminated products having a synthetic resin or resinlike binder:				
	Sheets or plates.	15¢ lb. plus 25%	7½¢ lb. plus 12½%	Canada	(1)
	Manufactures, n. e. s.	50¢ lb. plus 40%	25¢ lb. plus 20%	Canada	15
	Manufactures of nonlaminated plastics having a synthetic resin or resinlike binder.	35¢ lb. plus 30%	25¢ lb. plus 20%	Austria, Canada	24
1540	Moss and sea grass, eelgrass, and seaweed, manufactured or dyed.	5%	5%	Korea	195
1541 (a)	Musical instruments and parts thereof, n. s. p. f.:				
	Parts for brass wind instruments with cup pieces.	40%	30%	France	7
	Mouth organs or harmonicas.	40%	20%	Germany	251
	Parts thereof.	40%	20%	Germany	1
	Organs (except pipe organs).	40%	20%	Canada	1
	Parts thereof.	40%	20%	Canada	1
	Pianos:				
	Grand.	40%	20%	Germany	11
	Other.	40%	20%	Belux	31
	Parts thereof (including actions).	40%	20%	Canada	7
	Wood winds:				
	Clarinets, assembled.	20%	15%	France	1,058
	Saxophones, assembled.	20%	15%	France	
	Other, assembled.	20%	15%	France	
	Parts thereof.	20%	15%	France	
	Bows.	40%	20%	France	63
	"Other" musical instruments, n. e. s.	28%	20%	Austria	36
	"Other" parts, n. e. s.	28%	20%	Austria	(1)
	Violin bow hair.	40%	20%	France	1
	Pitch pipes, tuning forks, tuning hammers, and metronomes.	40%	20%	Germany	4
	Pipe organs.	15%	10%	Canada	211
	Parts thereof.	15%	10%	Canada	5
	Chin rests for violins.	40%	20%	France, Germany	1
	Bridges for fretted stringed instruments, n. s. p. f.	50%	40%	France, Germany	(1)
	Strings for musical instruments:				
	Catgut, oriental gut, or other gut.	40%	20%	Germany	6
	Steel or other metal.	40%	20%	Germany	4
	Tuning pins.	\$1M plus 35%	50¢M plus 17½%	Canada	8
1541 (b)	Violins, violas, violoncellos, double basses, and parts, the foregoing made after year 1800:				
	Assembled instruments:				
	Valued less than \$50 each.	\$1.25 ea. plus 30%	62½¢ ea. plus 17½%	France, Germany	45
	Valued \$50 or more, but less than \$100 each.	\$1.25 ea. plus 25%	62½¢ ea. plus 17½%	France, Germany	14
	Valued \$100 or more each.	\$1.25 ea. plus 17½%	62½¢ ea. plus 17½%	France, Germany	7
	Unassembled parts.	30%	20%	France, Germany	25
1544	Rosaries, chaplets, and similar articles of religious devotion:				
	Gold, silver, platinum, gold plate, silver plate, or precious or imitation precious stones.	50%	15%	France	188
	Other material, valued not more than \$1.25 per dozen.	15%	15%	France	222
1547 (b)	Paintings in oil, mineral, water, or other colors, pastels and drawings and sketches in pen and ink, pencil or water color (whether or not works of art) suitable as designs for textiles, floor coverings, wall-paper or wall coverings.	10%	5%	France	101
1548	Peat moss, poultry and stable grade.	50¢ ton	25¢ ton	Canada	971
1549 (a)	Pencils of lead or other material not metal, n. s. p. f.:				
	Of colored lead.	50¢ gross plus 30%	50¢ gross plus 15%	Germany	2
	Of "other" material.	50¢ gross plus 30%	50¢ gross plus 15%	Germany	2
	"Other" pencils stamped with names other than the manufacturers' or the manufacturers' trade name or trade-mark.	50¢ gross plus 25%	50¢ gross plus 15%	Germany	
1549 (b)	Black leads for pencils, not in wood or other material, and black leads exceeding 0.06 inches in diameter.	6¢ gross	3¢ gross	Germany	8
	Leads not exceeding 0.06 inch in diameter and not exceeding 2 inches in length known as refills.	10¢ gross	5¢ gross	Germany	(1)
	Colored or crayon leads, n. s. p. f.	40%	20%	Germany	5
1551	Photographic cameras (other than motion picture and box type), n. s. p. f., of which the lens is not the component of chief value, valued at \$10 or more each.	20%	15%	Germany	2,050
1552	Common tobacco pipes and pipe bowls, wholly of clay and valued over 40 cents per gross.	22½%	11¼%	Belux	8
	Finished tobacco pipes, with bowls of wood or root (except briar), valued less than \$1.20 per dozen.	2½¢ ea. plus 40%	1¼¢ ea. plus 20%	Austria	(1)
	Tobacco pipes, partly finished, with bowls of wood or root (except briar), valued less than \$1.20 per dozen.	2½¢ ea. plus 40%	1¼¢ ea. plus 20%	Austria	(1)
	"Other" tobacco pipes, including meerschaum, n. s. p. f.	5¢ ea. plus 60%	2½¢ ea. plus 30%	Austria, Turkey	2
	Pipe bowls of wood other than briar, valued less than \$1.20 per dozen.	2½¢ ea. plus 40%	1¼¢ ea. plus 20%	Austria	2
	Pipe bowls, n. s. p. f.	5¢ ea. plus 60%	2½¢ ea. plus 30%	Austria	(1)
	Cigar and cigarette holders, n. s. p. f.	5¢ ea. plus 15%	2½¢ ea. plus 15%	Austria	15
	Mouthpieces for pipes, cigar, and cigarette holders.	2½¢ ea. plus 15%	1¼¢ ea. plus 15%	Austria	6
	Cigarette paper (except cork paper):				
	In bobbins.	30%	22½%	France	(1)
	Flat.	30%	22½%	France	1
	Cigarette paper in blocks, cigarette books, and book covers.	30%	22½%	France	3
	Cases for pipes, cigar and cigarette holders.	30%	15%	Austria	2
	Meerschaum, unmanufactured.	10%	5%	Turkey	14
1554	Handles and sticks for umbrellas, parasols, sun shades, and walking canes, wholly or in chief value of synthetic resin.	75%	37½%	Austria	(1)

Footnotes at end of table.

Tariff paragraph	Commodity description	Rate of duty		Torquay negotiating country	Total United States imports for consumption, 1949 Thous. of dol.
		Jan. 1, 1951	Under Torquay Agreement		
SCHEDULE 15—SUNDRIES—continued					
1555	Textile wastes, n. s. p. f.: Waste rags and clips: Rayon..... Silk..... Waste of cotton-merino, including angola journal-packing waste..... Press cloth waste..... Other, including flax and jute-thread waste..... Fur wastes, n. s. p. f..... Lecithin and materials in chief value thereof..... Other wastes, n. s. p. f., including materials consisting of shells, dust, particles of cocoa beans, and cocoa cake and cocoa cake meal..... Bleached beeswax..... Articles manufactured in whole or in part, n. s. p. f.: Yeast: Brewers' yeast, nonalcoholic..... Other yeast..... Fatty acids derived from vegetable oils, animal or fish oils, or animals fats and greases, n. e. s.: Linseed oil..... Cottonseed oil..... Soybean oil..... Other..... Incense..... "Other" (except tall oil or liquid rosin).....	7½% 7½%			

¹ Less than \$500.

² Statistical class 8220.271, effective Jan. 1, 1950.

³ Although the negotiated rate is less than 50 percent of the rate on Jan. 1, 1951, it is not less than 50 percent of the rate on Jan. 1, 1945.

⁴ Statistical class 8220.275, effective Jan. 1, 1950.

⁵ Subject to internal revenue tax if derived from taxable oils.

⁶ Statistical class 8243.780, effective Apr. 30, 1950.

⁷ Entire statistical class 8243.800, effective Apr. 30, 1950.

⁸ Temporary rate, schedule III of trade agreement with Argentina.

⁹ Statistical classes 8380.281, 8380.931, and 8380.943, effective Apr. 30, 1950.

¹⁰ Dutiable at 25 percent if uncompounded medicinal preparations.
¹¹ Statistical class 8380.975, effective Jan. 1, 1950.
¹² Dutiable at 25 percent if selenium dioxide.
¹³ Statistical class 8380.980, effective Jan. 1, 1950.
¹⁴ Dutiable at 20¢ lb. plus 12½¢ if a medicinal compound.
¹⁵ Not taxable if used in the manufacture of rubber substitutes or lubricating oil.
¹⁶ Subject to internal revenue tax if perilla oil.
¹⁷ Statistical class 2290.370 included in 2290.490, effective Jan. 1, 1950.
¹⁸ Effective Jan. 1, 1950, statistical classes 5371.130 and 5371.190 transferred to 5371.180; and 5372.130 and 5372.190 transferred to 5372.180.
¹⁹ Statistical classes 5373.030 (part) and 5373.530 (part), effective May 30, 1950.
²⁰ Parts of statistical classes 5373.150 and 5373.750 described here transferred to 5373.190 (part) and 5373.790 (part), effective May 30, 1950.
²¹ Parts of statistical classes 5373.150 and 5373.750 described here transferred to 5373.130 (part) and 5373.730 (part).
²² Not separately provided for in the statistical classification.
²³ Dutiable at not less than 30 percent if weighing less than 16 ounces, but not less than 12 ounces per square foot. Higher rates of duty, equivalent to those in effect on Jan. 1, 1945, apply to colored glass subject to the additional duty provided under tariff par. 224.
²⁴ Dutiable at not less than 20 percent if weighing less than 16 ounces, but not less than 12 ounces per square foot. Rates negotiated at Torquay will apply to colored glass subject to the additional duty provided under tariff par. 224.
²⁵ All statistical classes under par. 219 with 6 as the seventh figure.
²⁶ All statistical classes under par. 219 with 8 as the seventh figure.
²⁷ All statistical classes under pars. 221, 222, and 223 with 5 as the seventh figure.
²⁸ Only the additional rate on glass described in tariff par. 221 was negotiated with Austria.
²⁹ Statistical class 5080.210, effective May 30, 1950.
³⁰ On the metallic manganese content.
³¹ On the manganese content.
³² On the molybdenum content.
³³ On the silicon content.
³⁴ Subject to internal revenue tax.
³⁵ Base duty; imports of these products are subject to additional duties under various provisions of the Tariff Act.
³⁶ Statistical class 7090.680, effective Jan. 1, 1950.
³⁷ Only the rate on tobacco machinery other than wrapping and packing machines and tobacco cutting and industrial cigarette-making machines, and parts was negotiated with Sweden.
³⁸ Dutiable at 2¢ each plus 12½ percent if table, carving, cake, pie, butter, fruit, cheese, or fish knives, forks, or steels.

³⁹ Dutiable at 35 percent if parts.
⁴⁰ Only the rate on flat-bed cylinder letter presses and parts was negotiated with Italy.
⁴¹ On lead content.
⁴² On zinc content.
⁴³ Dutiable at 45 percent if parts.
⁴⁴ Benelux, plywood of okoume; France, plywood of baboon; and Canada, "other" plywood.
⁴⁵ Concession effective only when quota provisions of Sugar Act of 1948 or equivalent legislation are in effect, whether or not the quotas are applied. If quota legislation terminated, the United States will establish quota with rate for quota quantity not lower than Torquay rate, provided President finds such quota and rate may be established giving due consideration to interests in United States sugar market of domestic producers and materially affected contracting parties. Any quota and rate so established to be subject to modification if found necessary to give effect to above consideration. Torquay concession will be restored if sugar quota legislation subsequently becomes effective.
⁴⁶ Excludes imports from Cuba and the Republic of the Philippines.
⁴⁷ Concession effective only when quota provisions of Sugar Act of 1948 or equivalent legislation are in effect, whether or not the quotas are applied.
⁴⁸ Applicable to entries of not more than 1.5 million gallons in any calendar year.
⁴⁹ Applicable to entries in excess of 1.5 million gallons.
⁵⁰ Statistical class 0046.030, effective May 30, 1950.
⁵¹ Including weight of immediate container.
⁵² Net weight.
⁵³ On drained weight.
⁵⁴ The United States reserves the right to modify or suspend the concession granted on cotton having a staple 1¼ or more but under 1½ inches long during any period when imports into the United States of such cotton are not subject to limitation.
⁵⁵ On the alcohol content contained therein or that can be produced therefrom.
⁵⁶ Statistical class 3080.700, effective Jan. 1, 1950.
⁵⁷ Entire statistical class 3084.500, effective Jan. 1, 1950.
⁵⁸ Entire statistical class 3230.700, effective May 30, 1950.
⁵⁹ On clean content.
⁶⁰ Subject to an additional cumulative duty of 22½ cents per pound.
⁶¹ Only compensatory part of duty (expressed in cents per pound) was negotiated at Torquay; ad valorem part was negotiated at Geneva.
⁶² Entire statistical class 9850.920, effective May 25, 1950.
⁶³ Canada, entire class; Sweden, tall oil pitch.
⁶⁴ Entire statistical class 9850.990, effective Apr. 30, 1950.
⁶⁵ Estimate.

During the delivery of Mr. MALONE's speech,

Mr. MAGNUSON. Mr. President, I wonder if the Senator from Nevada will yield to me, to allow me to ask the distinguished chairman of the committee a question about one provision of the bill, provided it be placed in the RECORD following the remarks of the Senator from Nevada?

Mr. MALONE. I should be happy to yield with the same understanding, and provided I do not lose the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAGNUSON. Mr. President, I wish to address an inquiry to the very distinguished chairman of the Finance Committee, as follows:

On page 12 of the bill, section 8, the committee has inserted the following:

In any case where the Secretary of Agriculture determines and reports to the President and to the Tariff Commission with regard to any agricultural commodity that, due to the perishability of the commodity, a condition exists requiring emergency treatment.

I am wondering—as many others in my area are wondering—whether there is any definition of the products which might be determined to be perishable under this provision.

Mr. GEORGE. No; there is none in the bill, but it has reference to perishable agricultural and horticultural products. Ordinarily, I suppose, the words would take their usual significance.

Mr. MAGNUSON. A great number of persons in the Pacific Northwest are thinking in terms of fruit, such as apples and pears, and whether or not they would be included.

Mr. GEORGE. They would be included beyond all doubt.

Mr. MAGNUSON. I thank the Senator.

PREDICTIONS OF CONSTANTINE BROWN

Mr. McCARTHY. Mr. President, I should like to have placed in the RECORD the May 20 column of Constantine Brown entitled "Signs Indicate Kremlin May Strike This Year."

Before inserting this column, however, I should like to preface it with some of the past predictions of this reporter which have proven amazingly and tragically correct. Going back to November 29, 1941, he wrote:

The Japanese Government's answer to last week's State Department note will in all likelihood be the salvos of her men of war. The earlier estimates of high officials in Washington that a crisis may be expected within the next 2 or 3 months has now been narrowed to a few weeks—even a few days.

That was written just 10 days before Pearl Harbor.

On June 6, 1950, a year ago, Constantine Brown told his public that—

The start of the Communist invasion is set for the second half of this month.

The war in Korea began the following June 25. Bear in mind that this report of Constantine Brown's was written just 5 days after President Truman told the American people that "We are closer now to peace than we have been in the last 5 years." President Truman made that statement at a press conference on June 1, 1950.

Over the past 18 months—I can even say, since VJ-day—Constantine Brown has been constantly warning the public of the grave danger of a third world war. In February of 1950 he wrote:

The United States is in a more critical situation than ever before in its history.

So I think we may read with complete confidence a list of excerpts from the column of Constantine Brown over the past 7 months, which covers the developments in Europe and the Near East, and

which are the background and basis for his column of May 20.

Mr. President, I now ask unanimous consent to have these excerpts printed in the body of the RECORD, together with the column of Constantine Brown of May 20, 1951.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM THE COLUMN OF CONSTANTINE BROWN SHOWING DEVELOPMENTS IN EUROPE AND NEAR EAST FROM OCTOBER 8, 1950, TO APRIL 28, 1951

October 8: In addition to some 40 Red divisions in the area between the Vistula and the Spree Rivers there are at least 100,000 German troops in the Russian zone.

October 9: The French Government is still adamant against the rearming of Western Germany. French and British politicians are equally adamant about providing Spain with war matériel to equip at least a portion of their first-line soldiers.

October 18: The present ministry [French], headed by Rene Pleven, is on the way out. The French Foreign Minister refused bluntly last week to permit the Turkish Republic to be added to the Atlantic Pact.

November 1: The French are waging a bitter battle in Washington [against] the rearmament of a limited German force.

November 2: The attitude of French Premier Rene Pleven and Defense Minister Jules Moch is regarded by most military men as actual sabotage of western military plans.

November 17: The American Government itself has not purged itself completely of its animosity toward the Franco government in Spain.

December 1: We have sent across the Atlantic nearly a billion dollars' worth of war matériel. None of the Atlantic Pact nations have made any effort to translate the blueprints for military preparedness into actuality.

December 19: Last week end Moscow fired a shot across our bow when it warned Great Britain and France that any plan to rearm Western Germany would break Russia's mutual assistance treaties with those two coun-

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82D CONGRESS
1ST SESSION

H. R. 1612

IN THE SENATE OF THE UNITED STATES

MAY 23 (legislative day, MAY 17), 1951

Ordered to be printed with the amendments of the Senate numbered

AN ACT

To extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Trade Agreements
4 Extension Act of 1951".

5 SEC. 2. The period during which the President is au-
6 thorized to enter into foreign-trade agreements under section
7 350 of the Tariff Act of 1930, as amended and extended,
8 is hereby extended for a further period of (1) ~~three~~ two years
9 from June 12, 1951.

10 SEC. 3. (a) Before entering into negotiations concern-

1 ing any proposed foreign trade agreement under section 350
2 of the Tariff Act of 1930, as amended, the President shall
3 furnish the United States Tariff Commission (hereinafter
4 in this Act referred to as the "Commission") with a list of
5 all articles imported into the United States to be considered
6 for possible modification of duties and other import restric-
7 tions, imposition of additional import restrictions, or con-
8 tinuance of existing customs or excise treatment. Upon re-
9 ceipt of such list the Commission shall make an investigation
10 and report to the President the findings of the Commission
11 with respect to each such article as to (1) the limit to which
12 such modification, imposition, or continuance may be ex-
13 tended in order to carry out the purpose of such section 350
14 without causing or threatening serious injury to the domestic
15 industry producing like or directly competitive articles; and
16 (2) if increases in duties or additional import restrictions
17 are required to avoid serious injury to the domestic industry
18 producing like or directly competitive articles the minimum
19 increases in duties or additional import restrictions required.
20 Such report shall be made by the Commission to the Presi-
21 dent not later than 120 days after the receipt of such list
22 by the Commission. No such foreign trade agreement shall
23 be entered into until the Commission has made its report to
24 the President or until the expiration of the one-hundred-and-
25 twenty-day period.

1 (b) In the course of any investigation pursuant to this
2 section the Commission shall hold hearings and give reason-
3 able public notice thereof, and shall afford reasonable oppor-
4 tunity for parties interested to be present, to produce evidence,
5 and to be heard at such hearings.

6 (c) Section 4 of the Act entitled "An Act to amend
7 the Tariff Act of 1930", approved June 12, 1934, as
8 amended (19 U. S. C., sec. 1354), is hereby amended by
9 striking out the matter following the semicolon and inserting
10 in lieu thereof the following: "and before concluding such
11 agreement the President shall request the Tariff Commis-
12 sion to make the investigation and report provided for by
13 section 3 of the Trade Agreements Extension Act of 1951,
14 and shall seek information and advice with respect to such
15 agreement from the Departments of State, Agriculture,
16 Commerce, and Defense, and from such other sources as
17 he may deem appropriate."

18 (2) ~~SEC. 4. The Commission shall furnish facts, statistics,~~
19 ~~and other information at its command to officers and em-~~
20 ~~ployees of the United States preparing for or participating~~
21 ~~in the negotiation of any foreign trade agreement; but~~
22 ~~neither the Commission nor any member, officer, or employee~~
23 ~~of the Commission shall participate in any manner (except~~
24 ~~to report findings, as provided in section 3 of this Act and~~
25 ~~to furnish facts, statistics, and other information as required~~

1 by this section) in the making of decisions with respect to
2 the proposed terms of any foreign trade agreement or in the
3 negotiation of any such agreement.

4 SEC. (3) 4. (a) Within thirty days after any trade
5 agreement under section 350 of the Tariff Act of 1930, as
6 amended, has been entered into which, when effective, will
7 (1) require or make appropriate any modification of duties
8 or other import restrictions, the imposition of additional
9 import restrictions, or the continuance of existing customs
10 or excise treatment, which modification, imposition, or con-
11 tinuance will exceed the limit to which such modification,
12 imposition, or continuance may be extended without
13 causing or threatening serious injury to the domestic
14 industry producing like or directly competitive articles
15 as found and reported by the Tariff Commission under
16 section 3, or (2) fail to require or make appropriate
17 the minimum increase in duty or additional import restric-
18 tions required to avoid such injury, the President shall
19 transmit to Congress a copy of such agreement together with
20 a message accurately identifying the article with respect
21 to which such limits or minimum requirements are not com-
22 plied with, and stating his reasons for the action taken with
23 respect to such article. If either the Senate or the House of
24 Representatives, or both, are not in session at the time of
25 such transmission, such agreement and message shall be filed

1 with the Secretary of the Senate or the Clerk of the House
2 of Representatives, or both, as the case may be.

3 (b) Promptly after the President has transmitted such
4 foreign trade agreement to Congress the Commission shall
5 deposit with the Committee on Ways and Means of the
6 House of Representatives, and the Committee on Finance
7 of the Senate, a copy of the portions of its report to the
8 President dealing with the articles with respect to which
9 such limits or minimum requirements are not complied with.

10 ~~(4) SEC. 6. As soon as practicable, but not more than ninety~~
11 ~~days after enactment of this Act, the President shall take~~
12 ~~such action as is necessary to withdraw or prevent the appli-~~
13 ~~cation of reduced tariffs or other concessions (including the~~
14 ~~binding of an article on the free list) contained in any trade~~
15 ~~agreement hereafter entered into under authority of section~~
16 ~~350 of the Tariff Act of 1930, as amended and extended, to~~
17 ~~imports from the Union of Soviet Socialist Republics and to~~
18 ~~imports from any nation or area thereof which the President~~
19 ~~deems to be dominated or controlled by the foreign govern-~~
20 ~~ment or foreign organization controlling the world Commu-~~
21 ~~nist movement.~~

22 *SEC. 5. As soon as practicable, the President shall take*
23 *such action as is necessary to suspend, withdraw or prevent*
24 *the application of any reduction in any rate of duty, or bind-*
25 *ing of any existing customs or excise treatment, or other*

1 concession contained in any trade agreement entered into
2 under authority of section 350 of the Tariff Act of 1930, as
3 amended and extended, to imports from the Union of Soviet
4 Socialist Republics and to imports from any nation or area
5 dominated or controlled by the foreign government or foreign
6 organization controlling the world Communist movement.

7 (5)SEC. 7. (a) If in the course of a trade agreement any
8 product on which a concession has been granted is being
9 imported into the territory of one of the contracting parties in
10 such increased quantities or under such conditions as to cause
11 or threaten serious injury to domestic producers in that terri-
12 tory of like or directly competitive products, the contracting
13 parties shall be free, in respect of such product, and to the
14 extent and for such time as may be necessary to prevent or
15 remedy such injury, to suspend the concession in whole or
16 in part, to withdraw or modify the concession or to establish
17 import quotas.

18 (b) Upon the request of the President, upon its own
19 motion, or upon application of any interested party the
20 United States Tariff Commission shall make an investigation
21 to determine whether any article upon which a concession
22 has been granted under a trade agreement to which a clause
23 similar to that provided in subsection (a) of this section is
24 applicable, is being imported under such relatively increased
25 quantities or under such conditions as to cause or threaten

1 serious injury to a domestic industry or a segment of such
2 industry which produces a like or directly competitive article.

3 In the course of any such investigation the Tariff Com-
4 mission shall hold hearings, giving reasonable public notice
5 thereof, and shall afford reasonable opportunity for parties
6 interested to be present, to produce evidence, and to be heard
7 at such hearings.

8 Should the Tariff Commission find, as the result of its
9 investigation and hearings, that serious injury is being caused
10 or threatened through the importation of the article in ques-
11 tion, it shall recommend to the President, the withdrawal
12 or modification of the concession, its suspension in whole or
13 in part, or the establishment of import quotas, to the extent
14 and for such time as may be necessary to prevent or remedy
15 such injury.

16 (c) When in the judgment of the Tariff Commission no
17 sufficient reason exists for such a recommendation to the
18 President it shall, after due investigation and hearings, make
19 a finding in support of its denial of the application, setting
20 forth the facts which have led to such conclusion. This find-
21 ing shall set forth the level of duty below which, in the Com-
22 mission's judgment, serious injury would occur or threaten.

23 In arriving at a determination in the foregoing procedure
24 the Tariff Commission shall deem a downward trend of
25 production, employment and wages in the domestic industry

1 concerned, or a decline in sales and a higher or growing
2 inventory attributable in part to import competition, to be
3 evidence of serious injury or a threat thereof.

4 *SEC. 6. (a) No reduction in any rate of duty, or bind-*
5 *ing of any existing customs or excise treatment, or other*
6 *concession hereafter proclaimed under section 350 of the*
7 *Tariff Act of 1930, as amended, shall be permitted to con-*
8 *tinue in effect when the product on which the concession has*
9 *been granted is, as a result, in whole or in part, of the duty*
10 *or other customs treatment reflecting such concession, being*
11 *imported into the United States in such relatively increased*
12 *quantities (compared to a representative period prior to the*
13 *concession) as to cause or threaten serious injury to the*
14 *domestic industry producing like or directly competitive*
15 *products.*

16 *(b) The President, as soon as practicable, shall take*
17 *such action as may be necessary to bring trade agreements*
18 *heretofore entered into under section 350 of the Tariff Act*
19 *of 1930, as amended, into conformity with the policy estab-*
20 *lished in subsection (a) of this section.*

21 *On or before January 10, 1952, and every six months*
22 *thereafter, the President shall report to the Congress on the*
23 *action taken by him under this subsection.*

24 *SEC. 7. (a) Upon the request of the President, upon*
25 *resolution of either House of Congress, upon resolution of*

1 *either the Committee on Finance of the Senate or the Com-*
2 *mittee on Ways and Means of the House of Representatives*
3 *upon its own motion, or upon application of any interested*
4 *party, the United States Tariff Commission shall promptly*
5 *make an investigation and make a report thereon not later*
6 *than one year after the application is made to determine*
7 *whether any product upon which a concession has been*
8 *granted under a trade agreement is, as a result, in whole or*
9 *in part, of the duty or other customs treatment reflecting such*
10 *concession, being imported into the United States in such*
11 *relatively increased quantities (compared to a representative*
12 *period prior to the concession) as to cause or threaten serious*
13 *injury to the domestic industry producing like or directly*
14 *competitive products.*

15 *In the course of any such investigation, whenever it finds*
16 *evidence of serious injury or threat of serious injury or when-*
17 *ever so directed by resolution of either the Committee on*
18 *Finance of the Senate or the Committee on Ways and Means*
19 *of the House of Representatives, the Tariff Commission shall*
20 *hold hearings giving reasonable public notice thereof and*
21 *shall afford reasonable opportunity for interested parties to*
22 *be present, to produce evidence, and to be heard at such*
23 *hearings.*

24 *Should the Tariff Commission find, as the result of its*
25 *investigation and hearings, that a product on which a con-*

1 cession has been granted is, as a result, in whole or in part,
2 of the duty or other customs treatment reflecting such con-
3 cession, being imported in such relatively increased quan-
4 tities (compared to a representative period prior to the
5 concession) as to cause or threaten serious injury to
6 the domestic industry producing like or directly competitive
7 products, it shall recommend to the President the withdrawal
8 or modification of the concession, its suspension in whole or
9 in part, or the establishment of import quotas, to the extent
10 and for the time necessary to prevent or remedy such injury.
11 Within sixty days, or sooner if the President has taken action
12 under subsection (c) of this section, the Tariff Commission
13 shall transmit to the Committee on Finance of the Senate
14 and the Committee on Ways and Means of the House of
15 Representatives an exact copy of its report and recommenda-
16 tions to the President.

17 (b) In arriving at a determination in the foregoing pro-
18 cedure the Tariff Commission, without excluding other fac-
19 tors, shall take into consideration a downward trend of pro-
20 duction, employment, prices, profits, or wages in the domestic
21 industry concerned, or a decline in sales, an increase in im-
22 ports, either actual or relative to domestic production, a
23 higher or growing inventory, or a decline in the proportion
24 of the domestic market supplied by domestic producers.

25 (c) Upon receipt of the Tariff Commission's report of

1 *its investigation and hearings, the President may make such*
 2 *adjustments in the rates of duty, impose such quotas, or make*
 3 *such other modifications as are found and reported by the*
 4 *Commission to be necessary to prevent or remedy serious*
 5 *injury to the respective domestic industry. If the President*
 6 *does not take such action within sixty days he shall immedi-*
 7 *ately submit a report to the Committee on Ways and Means*
 8 *of the House and to the Committee on Finance of the Senate*
 9 *stating why he has not made such adjustments or modifications,*
 10 *or imposed such quotas.*

11 *(d) When in the judgment of the Tariff Commission no*
 12 *sufficient reason exists for a recommendation to the President*
 13 *that a concession should be withdrawn or modified or a quota*
 14 *established, it shall make and publish a report stating its*
 15 *findings and conclusions.*

16 **(6)SEC. 8.** Section 350 of the Tariff Act of 1930, as
 17 amended, is hereby amended by adding at the end thereof
 18 the following new subsection:

19 *“(e) No reduced tariff or other concession resulting from*
 20 *a trade agreement entered into under this section shall apply*
 21 *with respect to any agricultural commodity for which price*
 22 *support is available to producers in the United States unless*
 23 *the sales prices (as determined from time to time by the*
 24 *Secretary of Agriculture) for the imported agricultural com-*
 25 *modity within the United States after the application of*

1 such reduced tariff or other concession exceed the level of
2 such price support."

3 *SEC. 8. (a) In any case where the Secretary of Agricul-*
4 *ture determines and reports to the President and to the Tariff*
5 *Commission with regard to any agricultural commodity that*
6 *due to the perishability of the commodity a condition exists*
7 *requiring emergency treatment, the Tariff Commission shall*
8 *make an immediate investigation under the provisions of sec-*
9 *tion 22 of the Agricultural Adjustment Act, as amended, or*
10 *under the provisions of section 7 of this Act to determine the*
11 *facts and make recommendations to the President for such*
12 *relief under those provisions as may be appropriate. The*
13 *President may take immediate action however, without await-*
14 *ing the recommendations of the Tariff Commission if in*
15 *his judgment the emergency requires such action. In any*
16 *case the report and findings of the Tariff Commission and*
17 *the decision of the President shall be made at the earliest*
18 *possible date and in any event not more than 20 calendar days*
19 *after the submission of the case to the Tariff Commission.*

20 *(b) Subsection (f) of section 22 of the Agricultural*
21 *Adjustment Act, as amended, is hereby amended to read as*
22 *follows:*

23 *"(f) No trade agreement or other international agree-*
24 *ment heretofore or hereafter entered into by the United States*

1 shall be applied in a manner inconsistent with the require-
2 ments of this section."

3 **(7)**SEC. 9. (a) The second sentence of section 2 (a) of the
4 Act entitled "An Act to amend the Tariff Act of 1930",
5 approved June 12, 1934, as amended, is amended by striking
6 out the word "sections" and inserting in lieu thereof the
7 word "section" and by striking out "and 516 (b)".

8 (b) Subsection (c) of section 17 of the Customs Admin-
9 istrative Act of 1938, as amended, is hereby repealed.

10 **(8)**SEC. 10. The enactment of this Act shall not be con-
11 strued to determine or indicate the approval or disapproval
12 by the Congress of the Executive Agreement known as the
13 General Agreement on Tariffs and Trade.

14 **(9)**SEC. 11. Paragraph 1519 of the Tariff Act of 1930,
15 as amended, is hereby amended by adding at the end thereof
16 a new subparagraph to read as follows:

17 "(g) (1) Effective July 1, 1951, the quantity of mink,
18 silver fox, and muskrat furs or skins, dressed or undressed,
19 imported during any import year shall not exceed 25 per
20 centum of the domestic production during the preceding im-
21 port year of mink, silver fox, and muskrat furs and skins,
22 respectively.

23 "(2) For the purposes of this subparagraph, in deter-
24 mining the quantity of mink, silver fox, and muskrat furs

1 *and skins imported during any import year, such furs and*
2 *skins or parts thereof contained in wholly or partly manu-*
3 *factured articles shall be taken into account.*

4 “(3) *As used in this subparagraph, the term ‘import*
5 *year’ means the twelve-month period beginning on July 1 of*
6 *any calendar year.’”*

Passed the House of Representatives February 12, 1951.

Attest:

RALPH R. ROBERTS,

Clerk.

Passed the Senate with amendments May 23 (legisla-
tive day, May 17), 1951.

Attest:

LESLIE L. BIFFLE,

Secretary.



AN ACT

To extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 23 (legislative day, MAY 17), 1951

Ordered to be printed with the amendments of the
Senate numbered

pulsory arbitration law is amazing. If the principles outlined by the majority are applied to all States having such laws, State governments will be powerless to protect the people against dangerous public utility strikes. Conceivably they could not even suppress Communist inspired strikes in such services in a national crisis."

From the St. Louis Post-Dispatch: "Short of a section-by-section comparison, Missouri's King-Thompson act on balance appears to be, if anything, stronger than the Wisconsin law against public utility strikes, now declared unconstitutional in a 6-to-3 decision of the supreme court."

"So it is clear enough that both Wisconsin and Missouri went beyond Congress. But may not the States experiment further, so long as it is reasonable, within their smaller laboratories? Justices Frankfurter, Burton, and Minton think so. They say that the States are not precluded just because Congress has a special interest in the commerce field."

From the Atlanta Constitution: "The Supreme Court's decision yesterday outlawing the Wisconsin ban of strikes in public utilities puts the matter of protection from such strikes squarely up to Congress."

"Justice Vinson, speaking for the majority in the case, said the Wisconsin law, upon which similar laws in several other States are said to be based, violates the National Labor Relations Act."

"Congress can, and should, amend the act so as to permit utility strikes to be outlawed. It is a question of protection of the rights of the many against abuse of privilege by the few."

From the Racine Journal Times: "Merely outlawing the State statute does not solve the problem that brought forth the utility antistrike act. The public wants, and should have, protection against loss of utility services, and some way must be found to provide that protection."

From the Janesville Gazette: "How to cope with interruptions in vital public services is now tossed back to legislative bodies, which must try to find some way to enforce labor peace on behalf of the public. The decision apparently closes the door, once and for all, on the theory that the public interest demands that utilities be classified differently from other industry and that workers in utilities occupy a different niche than those in other occupations."

"History is being made in a relatively new field, and there is hope that union organizations themselves are becoming more conscious of social responsibilities."

"If a difficult condition arises out of abuse of rights defined in the new decision, it is certain new legislation will be attempted."

TRANSFER OF CERTAIN LANDS IN NEW MEXICO

Mr. ANDERSON. Mr. President, I introduce for appropriate reference a bill to stabilize the economy of dependent residents of New Mexico using certain lands now administered under agreement by the Carson and Santa Fe National Forests and to effect permanent transfer of those lands, and I ask unanimous consent that there be printed in the RECORD a letter I have received from Hon. ANTONIO M. FERNANDEZ, Representative at Large from the State of New Mexico, which deals with the subject matter of the bill.

The VICE PRESIDENT. The bill will be received and appropriately referred, and without objection, the letter will be printed in the RECORD.

The bill (S. 1536) to stabilize the economy of dependent residents of New Mexico using certain lands of the United

States known as the North Lobato and El Pueblo tracts, originally purchased from relief-program funds, and now administered under agreement by the Carson and Santa Fe National Forests, to effect permanent transfer of these lands, and for other purposes, introduced by Mr. ANDERSON, was read twice by its title, and referred to the Committee on Agriculture and Forestry.

The letter presented by Mr. ANDERSON is as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., May 23, 1951.
Hon. CLINTON P. ANDERSON;
United States Senate,
Washington, D. C.

DEAR SENATOR: You will remember that when Public Law 499, an act to provide for the liquidation of the trusts under the transfer agreements with State rural rehabilitation corporations, was passed in May of last year, we were assured that under section 2 (f), which authorizes the Secretary of Agriculture to enter into agreements with the State rural rehabilitation corporations, the grant lands in New Mexico purchased with rural rehabilitation funds could be continued as at present under the administration of the Forest Service, which is satisfactory to the people using the lands, and that by agreement with the Secretary those lands could be placed permanently under the administration of the Forest Service so as to relieve those people from the constant threat of liquidation.

That section provides:

"(f) The Secretary is authorized to enter into agreements with any State rural rehabilitation corporation or other State agency or official having jurisdiction of the trust assets which have been returned pursuant to application made therefor under section 2 (c) hereof, and upon such terms and conditions and for such periods of time as may be mutually agreeable, to accept, administer, expend, and use in such State all or any part of such trust assets or any other funds of such State rural rehabilitation corporation or State agency, which are transferred to the Secretary for carrying out the purposes of titles I and II of the Bankhead-Jones Farm Tenant Act and in accordance with the applicable provisions of title IV thereof as now or hereafter amended. Funds appropriated for the administration of said act shall also be available for carrying out such agreements."

The Rural Rehabilitation Corporation has by resolution requested that those two grants remain in the Department of Agriculture for administration, and that they be permanently placed under the Forest Service. Recognizing that there exists the right to have these lands administered as at present with the aid of the Farmers Home Administration up to May 3, 1953, the deadline for liquidation or transfer of the assets, the Corporation also requested that \$25,000 of the assets remain with the Department to be used insofar as necessary in carrying out the intent and purpose for which the lands were purchased up to that date of May 3, 1953, that being the estimated amount necessary for that purpose for that period of time.

In this I think the Corporation acted very wisely and magnanimously, but we are now stumped in that the Solicitors for the Department of Agriculture feel it necessary that additional enabling legislation be enacted specifically authorizing the placing of those lands under the Forest Service on a permanent basis. Consequently we have been told that unless such authorizing legislation is passed, the lands would have to be liquidated by sale by May 3, 1953, or else returned to the Rural Rehabilitation Corporation for administration by it in the manner

and under the inhibitions contained in section 2 (c) of the act as trust funds. That Corporation is, of course, in no position to administer those lands in that manner without some very substantial appropriations of public moneys by the State, and that would be too much to expect. On the other hand administration by the Forest Service would in time fully serve the purpose and would be advantageous to the counties in which the lands are located and to the State itself.

I had some doubts that the bill as it passed the House last May was sufficient to permit that arrangement, but was assured that the conference committee would broaden the language to accomplish the purpose, and that if it did not do so, the Chairman of the House committee would lend his aid toward passage of enabling legislation if that were necessary. Further, Mr. HOPE, the ranking Republican member of the House committee, finally came around to favoring that treatment, as shown by the record, insofar as these particular lands were concerned. I did not wish to place any obstacles in the passage of the bill which was most desirable and indeed necessary to prevent other assets in the various States being diverted from their original purpose. I therefore acquiesced with the assurance above referred to. The conference committee did attempt to broaden the language, but as interpreted by the Solicitors it does not go far enough.

In line with the understanding above outlined, I have been for some time working with the Department of Agriculture, and with the Bureau of Land Management which has jurisdiction of the mineral deposits in said lands, and we have drafted a bill which I think accomplishes the end desired for the benefit of the people using the lands. Section 1 of the draft which I enclose authorizes the placing of these two tracts under permanent Forest administration not later than May 3, 1953. This date is the same deadline date for the consummation of these agreements or the liquidation of the assets. This draft could have provided for a forthwith transfer, but there is need for time to permit gradual readjustment of the people involved to the kind of administration required under Forest Service rules. The bill as drawn permits the Department to give those people more time to fully get on their feet where they can be on their own without the assistance and guidance now provided for them, and which may be continued to be provided for them through the wise foresight of the Rural Rehabilitation Corporation in making it possible to use so much of the funds as may be necessary, but not to exceed \$25,000, for that purpose. Of course the Department may succeed in more rapidly getting them to that point and may save a considerable portion of that fund, which may then be retransferred to the Rural Rehabilitation Corporation to the Farmers Home Administration before the deadline of May 3, 1953.

Section 2 of the draft is added assurance to those people in New Mexico that the work of rehabilitation and adjustment will be recognized by the Forest Service in the matter of grazing permits and the manner of their handling and issuance by the Department.

Section 3 deals with the minerals. The Bureau of Land Management had authority to issue mineral leases under the Mineral Leasing Act and under section 402 of Reorganization Plan No. 3, of 1946 (60-Stat. 1099), but that section contains a proviso which reads as follows: "Provided, That mineral development of such lands (acquired lands) shall be authorized by the Secretary of the Interior only when he is advised by the Secretary of Agriculture that such development shall not interfere with the primary purpose for which the land was acquired, and only in accordance with such conditions as may be specified by the Secretary of Agriculture in order to protect such purposes."

The Department of Agriculture has, since the enactment of Public Law 499, interpreted section 5 of that act as preventing their granting the approval required by the above proviso from and after the passage of Public Law 499 last May. That section 5 reads in part as follows:

"None of the properties or assets held on the date of the approval of this act by the Secretary as trustee pursuant to trust agreements with the various State rural rehabilitation corporations may be used by the Secretary for any purpose after the effective date of this act, except for the purposes authorized under section 2 (d) of this act * * *."

That, of course, was not the intent of section 5, and I disagree with the Department of Agriculture's view of it and so does the Bureau of Land Management as I understand, but of course that Bureau cannot act on applications for mineral leases without the clearance by the Department of Agriculture which it declines to give because of said section 5. That places the minerals in a position where they are completely frozen and may not be explored, as no one else has authority to act. Although I think we could convince the Department of Agriculture, there is enough ambiguity to raise the question and we thought it wise to clear the situation once and for all insofar as these two tracts of land are concerned. In conjunction with both Departments we have drafted section 3 to take care of that situation, which will permit the two Departments to act now and makes the right to act thereafter also clear.

This bill affects only two of the five grants originally purchased with rehabilitation funds, the Pueblo grant in San Miguel County and the North Lobato grant in Rio Arriba County. Two of the others have been purchased by the people involved and have been paid in full and are completely liquidated. The fifth one is the Costilla grant in Taos County. There the people formed an association which purchased the land and gave a mortgage for it. The mortgage is held as an asset in trust for the State of New Mexico and therefore cannot be dealt with in the same manner as these two grants. This is one on which the solution for it is still under study. The State game department is interested in a portion of the land. Other portions would well be placed under Forest Service administration. It might be possible to reach an agreement whereby the State of New Mexico would purchase a part of it and reduce the debt, and whereby the Forest Service could take over the forest lands by further reducing the mortgage, with the right of the people to fully acquire the bottom lands and a right to the grazing privileges on the Forest Service much in the same manner as the arrangement agreed upon with respect to the grants affected by the bill.

Since this bill will ultimately be referred to the Agriculture Committee of which you are a member, and in view of your continued and sympathetic interest in behalf of the people who depend on these two tracts for their economic base, I would appreciate it tremendously if you would join with me by introducing this bill in the Senate simultaneously with my introducing it in the House.

Sincerely yours,

A. M. FERNANDEZ.

EXTENSION OF AUTHORITY FOR COMMITTEE ON LABOR AND PUBLIC WELFARE TO EMPLOY ADDITIONAL PERSONNEL

Mr. MURRAY submitted the following resolution (S. Res. 143), which was referred to the Committee on Labor and Public Welfare:

Resolved, That the authority of the Committee on Labor and Public Welfare, or any duly authorized subcommittee thereof, under Senate Resolution 215, Eighty-first Con-

gress, agreed to February 9, 1950, authorizing the Committee on Labor and Public Welfare to employ additional personnel, is hereby continued until August 31, 1952.

TRADE AGREEMENTS EXTENSION ACT OF 1951—AMENDMENT

Mr. BENNETT submitted an amendment to the bill (H. R. 1612) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. KEM:

Report by Abraham Lincoln Kilby, of Vandalia, Mo., on Socialism in Action in Great Britain.

By Mr. MUNDT:

Reprint of broadcast by Henry J. Taylor, giving the background of General MacArthur's homecoming.

By Mr. HUMPHREY:

Sermon on the subject Washington Confidential—Another View, by Rev. Edward L. R. Elson, minister of the National Presbyterian Church, Washington, D. C., on Sunday, May 20, 1951.

Report entitled "Big Businesses Grabs Defense Plants," prepared by the Public Affairs Institute.

By Mr. BUTLER of Nebraska:

A tabulation, marked "Exhibit J," giving a comparison between social-security and railroad-retirement tax payments and benefits.

By Mr. McMAHON:

Editorial entitled "The Defense Secretary Makes Answer," published in the New Haven (Conn.) Evening Register of May 9, 1951, regarding testimony of the Secretary of Defense before the Committee on Foreign Relations and the Committee on Armed Services, sitting jointly.

Editorial entitled "Substitute for Victory," from the Vet-Times of May 5, 1951.

By Mr. ELLENDER:

Editorial entitled "70 Years Young," published in the Washington Post of May 9, 1951, paying tribute to Paul Wootton, Washington correspondent for the New Orleans Times-Picayune, which will appear hereafter in the Appendix.

By Mr. HICKENLOOPER:

Article entitled "Fears United States Decay," from the Kansas City Times of April 2, 1951, dealing with a statement by Dean W. Malott, chancellor of the University of Kansas, referring to America's being on the way to socialism.

By Mr. WILLIAMS:

Article entitled "Six Hundred Percent Increase in Subsidized Ship Lines' Net Worth," published in the St. Louis Post-Dispatch of May 18, 1951.

An article entitled "Income Tax Unit's Error Minimized by United States Attorney," from a St. Louis, Mo., newspaper, and an editorial entitled "A Suspicious Business," published in the St. Louis Post-Dispatch of May 12, 1951, dealing with an error in information given to a grand jury by a Federal judge.

By Mr. MALONE:

A press release from his office, under date of May 21, 1951, summarizing the speech made by him in the Senate on that day in regard to House bill 1612, extending the Trade Agreements Act.

TRADE AGREEMENTS EXTENSION ACT OF 1951

The Senate resumed the consideration of the bill (H. R. 1612) to extend the authority of the President to enter into

trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

The VICE PRESIDENT. The question is on the amendment of the Senator from Nevada [Mr. MALONE] in the nature of a substitute to the pending bill.

Mr. GEORGE. Mr. President, the senior Senator from Florida [Mr. HOLAND] desired to have some matters placed in the RECORD. I do not see him on the floor. I do not know whether the distinguished Senator from Nevada wishes to proceed again or not. His substitute is the pending amendment.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. WHERRY. The distinguished Senator from Nevada, I believe, understood that the Senator from Florida was going to query the chairman of the committee about some matters relative to his amendment. I believe the Senator from Florida is engaged in committee work at this moment. My distinguished colleague from Nebraska [Mr. BUTLER] wants to make a few observations on the bill, and he is ready to proceed, if it is agreeable to the distinguished Senator from Georgia.

Mr. GEORGE. It is agreeable to me, Mr. President. Of course, I should like to have the substitute disposed of, but it would be necessary to have a quorum call before doing that.

Mr. BUTLER of Nebraska. Mr. President, the bill we have before us, H. R. 1612, in my judgment, represents a sharp improvement over the legislation under which the trade-agreements program has been conducted in the past.

It is not a perfect piece of legislation—far from it. At the same time I believe that, used properly, this bill could be a forward step in providing adequate protection to American industry and agriculture, and at the same time form the basis for a sound policy of international trade.

Most of the defects we have observed in the trade-agreements program during the past few years have been defects in administration rather than defects in the law. The Trade Agreements Act has always provided that tariff adjustments could be made upward as well as downward. But unfortunately, not a single upward adjustment has been made, no matter how clearly the need was shown. Trade agreements negotiated during the past few years have all included an escape clause, but unfortunately those escape clauses have not been used. Even the peril-point proposal could have been and should have been followed as a matter of practical common sense by those administering this program over the years. In other words, there never was any excuse for making concessions below the point at which domestic industry and agriculture would be injured.

Under this bill we have attempted to pin down some of these principles into firm law so that they cannot be evaded. I do not know that we have been wholly successful. As a practical matter it is not possible to correct defects in administration by making changes in the basic law. The only way to make a real improvement in the execution of this pro-

gram is to put new people in charge of handling it.

I should like to call particular attention to two or three provisions of the bill. Section 10 is particularly important because it makes absolutely clear that Congress has never approved the general agreement on tariffs and trade negotiated at Geneva. There was some pretense by representatives of the executive departments that Congress had given implicit approval of this agreement at one time or another. I hope the committee's action in including this section will make it clear that that is not the case.

Section 9 will restore to domestic manufacturers the right to challenge the classifications made by customs inspectors in levying duties on imported goods. At present, when goods are imported and the customs collector makes a decision as to how they should be classified and what duty they should pay, the importer may, if he chooses, disagree with that decision and appeal to the courts against it. The domestic group, however, for whose protection the duty is levied, is not allowed to go to court against those custom classifications. Obviously, this system is clearly discriminatory against the domestic industry affected. I am extremely glad that the committee has seen fit to restore the rights of domestic industries under section 516 (b) of the Tariff Act of 1930. I hope this provision may be of some value to the domestic jeweled watch industry which have been severely injured as a result of the Swiss agreement.

Section 8 (b) is particularly important since it unequivocally gives section 22 of the Agricultural Adjustment Act a priority or a superior status to any provision which may be written or which may have been written into any trade agreement. Section 22 is the section which permits the Secretary of Agriculture to prevent imported farm products from destroying or injuring our domestic agricultural programs.

Time after time in the past, we have found that farm imports have come into this country and flooded our markets at the very time when we were trying, through domestic measures, to maintain farm prices at a reasonable level. In an address to the Senate on September 9, 1949, I listed product after product in which this situation occurred.

For example, at that time, we were supporting the prices of barley, oats, and rye, and the Commodity Credit Corporation was buying or taking over under loan large quantities of these products in order to maintain the price. At the very same time, additional quantities of barley, oats, and rye were being imported from Canada and elsewhere to add to the surplus and to counteract the efforts of the Commodity Credit Corporation.

We were buying up potatoes and destroying them, but Canada was shipping in additional surplus potatoes as fast as we could destroy the domestic surplus. We were making loans and buying up flax seed, soybeans, butter, peanuts, and other vegetables fats and oils, while at the same time, through the trade

agreements program, over a billion pounds of competitive oils and fats were being imported each calendar year. We were supporting the domestic price of wool, but we were encouraging foreign wool to enter in competition with our own wool. Thus, our Government with one hand through Commodity Credit Corporation was trying to hold up the price of domestic farm products; with the other hand, through the trade agreements program, it was helping to knock them down.

Whenever any attempt was made to correct this situation through section 22 of the Agricultural Adjustment Act, we were told that no quota or additional import fee could be imposed on such imports by the Secretary of Agriculture, because we had entered into trade agreements which prohibited us from protecting our domestic farm prices.

This bill attempts to correct that situation. It states flatly that no trade agreement shall be applied in a manner inconsistent with section 22 of the Agricultural Adjustment Act. I do not think there can be any misunderstanding about the meaning of this provision. By this section, Congress is serving clear notice that it wants our domestic agricultural price structure to be protected.

Mr. President, the trade-agreements program has already done serious harm to a number of domestic agricultural products. I hope it will be possible to repair this damage either through the escape clause section or through the section 22 procedure under this bill.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. BUTLER of Nebraska. I yield to the Senator from Kansas.

Mr. CARLSON. The very able and distinguished Senator from Nebraska is not only familiar with the agricultural problem which we have in the Midwest and in the Nation, but he has rendered outstanding service in connection with the agricultural program. I ask him if, in his opinion, the pending bill takes care of the competition which we receive from imported agricultural commodities.

Mr. BUTLER of Nebraska. I will say to the distinguished Senator from Kansas that it is my feeling that, with the adoption of the provision with reference to making section 22 of the Agricultural Adjustment Act the determining factor when such situations arise the bill would bring the relief which is needed to protect American agriculture.

Mr. CARLSON. Mr. President, will the Senator further yield?

Mr. BUTLER of Nebraska. I yield.

Mr. CARLSON. I note on page 11 of the bill, beginning after line 20 and continuing to the end of line 7 on page 12, that the committee has struck out a section dealing with the importation of agricultural commodities. I should like to read it for the RECORD:

SEC. 8. Section 350 of the Tariff Act of 1930, as amended, is hereby amended by adding at the end thereof the following new subsection:

"(e) No reduced tariff or other concession resulting from a trade agreement entered into under this section shall apply with respect to any agricultural commodity for which price support is available to producers

in the United States unless the sales prices (as determined from time to time by the Secretary of Agriculture) for the imported agricultural commodity within the United States after the application of such reduced tariff or other concession exceed the level of such price support."

The Finance Committee struck out that House provision which, as I understand, if enacted, would prohibit the importation of competitive agricultural commodities below the price-support level. Will the distinguished Senator from Nebraska discuss that question?

Mr. BUTLER of Nebraska. I think the Senator from Kansas will find that the new section 8 takes care of the situation. At least, in my opinion, it does. That section begins on page 12, line 8. I read subsection (b):

(b) Subsection (f) of section 22 of the Agricultural Adjustment Act, as amended, is hereby amended to read as follows:

"(f) No trade agreement or other international agreement heretofore or hereafter entered into by the United States shall be applied in a manner inconsistent with the requirements of this section."

Section 22 of the Agricultural Adjustment Act provides protection for American agriculture, just as it has always done.

Mr. CARLSON. I wish to express my appreciation to the Senator for this clarification. I sincerely hope that the pending bill will work in the way which I am sure the Senator from Nebraska intends it should work, and as others interested in agriculture intend it should.

Mr. BUTLER of Nebraska. Many other Senators have expressed the same thought to members of the committee with reference to the agricultural section. If any improvement or change is needed, I hope it will be made before the passage of the bill.

Mr. President, I had just made the statement that the Trade Agreements Act had already done considerable harm to American agriculture. I expressed the hope that that would not occur again, because of the adoption of the amendment which has just been quoted.

One example of a domestic industry which has been seriously injured is the casein industry, which has been almost destroyed under the operations of the trade-agreements program. Casein is a product manufactured from skim milk, and is used principally for sizing paper. It is an extra outlet for the dairy farmer and provides him with a sizable market for his skim milk, which otherwise might be fed to the hogs or go to waste. It is particularly important in those sections of the country which produce milk primarily for its butterfat content, and for which, therefore, the skim milk is a byproduct.

Under the tariff rates in effect before any trade agreement was negotiated affecting casein, domestic producers supplied virtually the entire domestic market. I have before me a table which compares domestic production with imports and which shows that during most of the 1930's, domestic producers supplied from 75 to 99 percent of the market. I ask unanimous consent to have the table printed in the RECORD at this point as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Casein, dry: Production and imports for consumption, United States, 1930-51

[Thousands of pounds]

	Production ¹	Imports for consumption ²
1930-----	41,965	18,500
1931-----	35,335	3,503
1932-----	24,428	1,201
1933-----	24,087	8,142
1934-----	37,331	1,491
1935-----	37,638	3,230
1936-----	46,140	16,209
1937-----	67,467	5,210
1938-----	48,549	417
1939-----	40,878	15,832
1940-----	46,616	24,523
1941-----	47,346	41,518
1942-----	42,268	16,819
1943-----	18,386	28,052
1944-----	15,264	47,225
1945-----	12,333	51,610
1946-----	18,319	45,346
1947-----	35,831	20,887
1948-----	14,372	40,585
1949-----	18,348	33,061
1950-----	19,150	54,552
1951, January and February--	2,565	9,691

¹ Compiled from reports of P. & M. A., U. S. D. A., and B. A. E., U. S. D. A.

² Bureau of the Census.

Mr. BUTLER of Nebraska. Late in 1951, the duty on casein was reduced from 5½ cents per pound to 2¾ cents per pound. Almost immediately, the domestic industry started to slip. Imports have mounted during recent years. Domestic producers have supplied only 25 to 35 percent of the market. The rest has been supplied by imports.

In 1950, domestic production amounted to 19,150,000 pounds, while imports amounted to 54,552,000 pounds. During the first 2 months of 1951, the latest period for which I have figures, domestic production was only 2,565,000 pounds; while imports were 9,691,000 pounds.

It takes 35 pounds of skim milk to produce 1 pound of casein. Evidently, the imports of casein during 1950 amounted to the equivalent of 2,000,000,000 pounds of liquid skim milk. During that same year, 1950, the Commodity Credit Corporation purchased 351,600,000 pounds of dried skim milk in order to take it off the market and maintain dairy prices. Since it requires about 11 pounds of skim milk for each pound of dried skim milk, the Commodity Credit Corporation had to supply a market for nearly 4,000,000,000 pounds of surplus skim milk. That was the size of the surplus of skim milk. Of that 4,000,000,000 pounds, approximately 2,000,000,000 pounds represented the casein shipped in here from Argentina.

To put it another way, if the domestic casein industry had been permitted to supply the American market for casein, 2,000,000,000 additional pounds of skim milk from the farm could have gone into that market and would not have had to be purchased from the Government.

Just a few days ago, another far-reaching agreement was concluded by our Government with a number of other governments at Torquay, England. I shall not try to analyze that agreement in detail, but would like to call attention to just one item which is typical of the way this program has been conducted

under the present administration. Paragraph 710 of the Tariff Act contains the duties on cheese of various types. Practically all of the various types of cheese have suffered duty reductions during the past few years.

Now, under the Torquay agreement, most of them have again been reduced. Cheddar cheese, which is the most important type of cheese from the standpoint of quantity, was reduced again from 3½ cents per pound to 3 cents per pound, and the minimum rate was also lowered. Before the trade-agreements program was started, the duty of most types of cheese, I believe, was 7 cents a pound.

Mr. President, I simply cannot understand the reasoning which would lead the State Department to make another reduction on the duty on cheese. Cheese imports have been increasing sharply in recent years. During the fiscal year ending June 30, 1946, cheese imports of all types amounted to 13,740,000 pounds; during the fiscal year ending in 1947, they were nearly 16,000,000; the following year, nearly 17,000,000; the following year, over 25,000,000; and the following year, which ended last June 30, they amounted to 42,593,000 pounds. During the first 8 months of this present fiscal year—the period from last July through February—they already amounted to 47,584,000 pounds, for just that 8-month period. In the face of this rapid increase in the rate of imports of cheese, the State Department has chosen to inflict another duty reduction on cheese. Cheese, of course, is another one of those items which the Commodity Credit Corporation had to purchase in large quantities as late as last year because of the tremendous domestic surplus.

I desire to mention one more industry, and that is wool. During the past 10 years, since January 1, 1941, our sheep population has declined from 47,441,000 to only 28,065,000, a decrease of 41 percent. The domestic production of wool is being gradually, steadily, systematically, deliberately destroyed under this trade-agreements program. A few years ago we produced three-fourths of our wool needs in this country, and when World War II broke out we found it very handy to have a safe supply of wool at hand. Now, when this present crisis broke upon us, that domestic source of supply had been seriously reduced, and we immediately found ourselves dependent on foreign countries, most of them a good many thousands of miles away. The supplies simply were not there. The price of wool has jumped outrageously, but I hope no one will suppose that the domestic wool producer is responsible for this sudden sharp rise in prices. The domestic producer is not getting the money you are paying for a wool suit today. The domestic producer has almost been put out of business during this past decade. Over half the wool comes from abroad, and it is the foreign producer who is reaping the benefits of our misguided policy.

These three examples, Mr. President—casein, cheese, and wool—in my opinion, demonstrate conclusively the folly of the policies we have followed during recent

years in conducting our foreign-trade program. I believe all three of these industries would have legitimate cause for complaint that they have been seriously injured by the trade-agreements program. We have tried to provide an avenue of relief for them in this bill.

I sincerely hope they will derive some benefit from it. These situations should never have been permitted to occur. This program has been in the hands of "one worlders" and men who were determined to reduce every tariff rate on any excuse they could find. The act under which they have been operating has given them broad authority to make whatever arbitrary decisions suited their pleasure. In this renewal we have tried to tighten up the act and give domestic producers more consideration. We have tried to tighten up the standards under which those administering the act can operate, so as to eliminate some of the arbitrary decisions from which we have suffered in the past.

The bill, if enacted, will provide some definite improvements over what we have had, but it is definitely not a permanent solution. For the present I believe it is the best we can get. Ultimately, we shall have to write legislation that will give real protection to American producers. When American agriculture, industry, and labor realize how they have been sold down the river under this low-tariff policy, I predict their demand for legislation that will give them really effective protection against low-wage imports will be irresistible.

Mr. HOLLAND. Mr. President, when the pending bill, H. R. 1612, was being considered by the able Committee on Finance under the chairmanship of the distinguished Senator from Georgia [Mr. GEORGE], I appeared before the committee on behalf of my colleague, the junior Senator from Florida [Mr. SMATHERS] and myself, and presented briefly the situation facing Florida fruit and vegetable growers, especially the latter.

Because of the perishability of their products and the heavy competition which they face from certain vegetables imported from Cuba and from Mexico, the machinery provided in the present Trade Agreements Act and in the pending bill, H. R. 1612, as it came over from the House of Representatives, does not do equity to the domestic producers of fruits and vegetables.

This is due in large part to the perishability of most vegetables and some fruits, which cannot be stored, but must be marketed immediately upon being harvested. Excessive and erratic imports from Cuba and Mexico constitute a continuing and serious economic threat to the domestic industry, particularly in Florida.

Mr. Luther L. Chandler, representing the Florida Fruit and Vegetable Association, testified before the committee, and brought out clearly that when imports are reasonable in volume the return to the grower of highly perishable vegetables and fruits is fair, but when imports are erratic and heavy both the foreign and domestic producers sustain financial loss, with no compensating sav-

ing to the ultimate consumer, the general public.

Mr. President, I submitted to the committee for its consideration an amendment which was carefully designed to meet the situation. At this time I should like to incorporate the amendment in the RECORD as part of my remarks.

There being no objection, the amendment intended to be proposed by Mr. HOLLAND was ordered to be printed in the RECORD, as follows:

At the end of the bill insert the following new section:

"Sec. . (a) Whenever, upon the recommendation of the Secretary of Agriculture, the President has reason to believe that any one or more perishable fruits or vegetables are being or are practically certain to be imported into the United States under such conditions or in such quantities as to materially interfere with the orderly marketing of such commodity or commodities in the United States, he shall establish such import quotas on any such commodity as he may find necessary to provide for the orderly marketing of such commodity in the United States. Such quotas shall be established on a daily, weekly, monthly, quarterly, or yearly basis, as may be advisable in the case of each respective commodity.

"(b) Any such quota shall be fixed at a point calculated to maintain the price received by the American producer at the parity level, and may be adjusted from time to time, upon the recommendation of the Secretary of Agriculture, with a view to maintaining the parity price.

"(c) In the preparation of his recommendations to the President the Secretary of Agriculture shall consult domestic producers and such representatives of foreign producers as he may deem to be of assistance in the formulation of mutually advantageous regulations."

Mr. HOLLAND. It is my understanding that a spokesman for the Department of State advised the committee that my amendment was unworkable, but that a substitute, which was inserted by the committee, and which appears as section 8 (a) in the committee bill, would accomplish practically the same objectives.

In brief, my amendment provides that when imports are such as to interfere or threaten to interfere with orderly marketing of perishable fruits and vegetables, the President, may upon recommendation of the Secretary of Agriculture, may establish such import quotas as he deems necessary to maintain the average price received by the American producers at the parity level. Such quotas could be adjusted when found necessary. If the domestic supply was reduced periodically by unfavorable weather conditions, or for other reasons, thereby causing an undue price rise, or the threat of such price rise, the President, acting upon recommendation of the Secretary of Agriculture, could immediately waive the quotas, or adjust the quotas proportionately.

Mr. President, I shall not dwell in detail at this time on either the problem or its suggested solution. It has been thoroughly covered in the hearing record. I think a sound case was made for the adoption of new remedies adapted to the specific needs of perishable fruits

and vegetables. It is obvious that the committee concurred, at least, in the need for such action, as evidenced by the inclusion by the committee of section 8 (a) in the bill which it reported.

The committee report made reference to the program in a statement appearing on pages 6 and 7 of the report. I now read from the report, under the heading "Perishable agricultural products—Emergency action (sec. 8)." The committee stated the following at that point in the report:

Recognizing that, in the case of perishable agricultural commodities, emergency action under section 22 of the Agricultural Adjustment Act or under the escape provisions of the bill may be necessary to prevent loss or material interference with orderly marketing, a provision for such emergency action has been included in the bill. When such action is reported as necessary by the Secretary of Agriculture to the Tariff Commission and to the President, the Tariff Commission shall make an immediate investigation. The President, however, may take action without awaiting the Tariff Commission report if, in his judgment, the emergency requires such action. In any event, the Tariff Commission is to conclude its investigation and report, and the President is to make his decision, within 20 days after the Secretary of Agriculture has filed his report.

Let me digress at this time to say that I appreciate the fact that the committee has sought to deal with this question through the amendment, and I hope the fact that the committee prescribed this emergency action and required that it must be taken, if taken at all, within 20 days, will afford the possibility of some real relief to the producers of highly perishable fruits and vegetables in the United States.

I continue to read from the report:

The planting, or offering for sale, or shipment of large quantities of perishable products within and without the country may create conditions which would require emergency action. Upon the recommendation of the Secretary of Agriculture, the President would be entitled to take steps which might prevent the spoilage of large quantities of perishables or alleviate international problems resulting from foreign as well as domestic surpluses.

Mr. President, in connection with the action of the committee, the committee also issued a news release on the same date when it made its report, I believe. The news release is dated April 26, 1951. Since the news release made specific reference to this particular amendment, as well as to the amendment which I had offered before the committee, I shall read, as a part of my remarks, the paragraph of the news release by the committee which deals with that subject:

Although the amendment regarding perishable agricultural products proposed by Senator HOLLAND was not adopted in its original form, the committee approved an amendment providing for emergency action with regard to perishable agricultural commodities. In such cases, after a recommendation to the President and to the Tariff Commission by the Secretary of Agriculture, the President may take immediate action or, if it is practicable, he may wait for a Tariff Commission report, which must be submitted not later than 20 calendar days after the

Secretary of Agriculture has made his original recommendation.

Mr. President, because of the anxiety which is felt by both my colleague, the junior Senator from Florida [Mr. SMATHERS], and myself and by the industries in our State and industries elsewhere which compete with off-shore industries which produce highly perishable vegetables and fruits by using labor which is paid only a small fraction of what labor is paid in America, and because I fully believe that the distinguished chairman of the committee, the senior Senator from Georgia [Mr. GEORGE], and the other members of his committee intended that their proposed remedy for this subject—namely, section 8 (a) of the pending bill—would actually meet the needs of the producers of perishable fruits and vegetables, and in order to clarify, for the RECORD, the manner in which it is proposed that operations under section 8 (a) of the bill will meet the needs of the producers of perishable fruits and vegetables, I have requested the distinguished Senator from Georgia to allow me to ask him a series of questions which, if asked and answered in the form in which I am sure the Senator from Georgia will answer them, I have felt might assure further the relief of the producers of perishable fruits and vegetables of our Nation which is desired, I am sure, and intended to be granted under section 8 (a).

So I ask unanimous consent at this time that I may be permitted to address to the distinguished senior Senator from Georgia several questions, with a view to incorporating both the questions and the Senator's answers into the RECORD, so that the legislative history of section 8 (a) may be made entirely clear.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. HOLLAND. Mr. President, at this time, as a predicate for my questions, I ask unanimous consent to introduce into the RECORD my letter of May 10, 1951, to the distinguished chairman of the committee, the senior Senator from Georgia. The letter contains the questions; but in having the letter printed at this point in the RECORD, I ask that it be printed without including the questions themselves, which I now propose to ask separately to the distinguished chairman of the committee.

There being no objection, the portion of the letter referred to was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON PUBLIC WORKS,
May 10, 1951.

HON. WALTER F. GEORGE,
Chairman, Senate Finance Committee,
Senate Office Building,
Washington, D. C.

DEAR SENATOR GEORGE: You will recall that when H. R. 1612 was being considered by the Senate Committee on Finance I appeared before the committee on behalf of Senator SMATHERS and myself, and presented briefly the situation facing Florida vegetable growers. Due to the perishability of their products, the machinery provided in the present Trade Agreements Act and in the bill which is now before us does not do equity to the domestic vegetable producer. This is due in

large part to the perishability of these commodities, which cannot be stored, but must be marketed immediately upon being harvested. Excessive and erratic imports constitute a serious economic threat to the domestic industry.

The witness for the Florida Fruit and Vegetable Association, in testifying before the committee, brought out clearly that when imports are reasonable in volume, the return to the grower is fair, but when the current shipments are erratic and heavy, both the foreign and domestic producer sustain financial loss, with no compensating saving to the ultimate consumer.

I offered for committee consideration an amendment which was carefully drawn to meet this situation. It is my understanding that a spokesman for the Department of State told the committee that my amendment was unacceptable, but that a substitute which appears as section 8 (a) in the committee bill would accomplish practically the same objectives.

In brief, my amendment provided that when imports were such that they interfered or threatened to interfere with orderly marketing of perishable fruits and vegetables, the President, upon recommendation of the Secretary of Agriculture, could establish such import quotas as he deemed necessary to maintain the average price received by the American producer at the parity level. These quotas could be adjusted when found necessary. If the domestic supply were reduced periodically by weather disasters, thereby causing an undue price rise, the President, acting upon recommendation of the Secretary of Agriculture, could immediately waive or adjust the quotas.

I am not going to dwell in detail at this time on either the problem, or the suggested solution. That has been thoroughly covered in the hearing record. I think a sound case was made for the adoption of new remedies adaptable to the specific needs of perishable fruits and vegetables. It is obvious that the committee concurred in the need for action, as evidenced by the inclusion of section 8 (a).

I list herewith nine questions which I plan to ask you on the Senate floor during the debate on this bill. I am submitting these questions in advance so that you will have an opportunity to study them prior to the time of the debate on this bill. My constituents in Florida feel that it is desirable to develop some legislative background on this subject by asking you these questions. I will be grateful for your cooperation in this matter, and will be glad to reword any of the questions that you think can be better worded.

Questions relative to section 8 (a) of H. R. 1612 and Senate Report 299:
(Questions omitted.)

With kindest personal regards, I remain,
Yours faithfully,

SPESSARD L. HOLLAND.

(Copy to Hon. EUGENE D. MILLIKIN, United States Senator, Senate Office Building, Washington, D. C.)

Mr. HOLLAND. Mr. President, my first question to the distinguished chairman is this: Is it proper to assume that the language of section 8 (a) and the phrasing of the part of the report which I have read into the Record indicate the committee clearly recognized the necessity for taking adequate steps toward the solution of the problems peculiar to perishable fruits and vegetables which have serious foreign competition?

Mr. GEORGE. Mr. President, in answer to that question, I believe it is proper to say on behalf of the committee that the committee recognized that perishable fruits and vegetables, by vir-

tue of their perishability, were at times subject to peculiar difficulties not applicable to other agricultural commodities and that, therefore, existing machinery should be adapted to meet these difficulties when they are proved to exist, so far as it was administratively feasible to do so.

Mr. HOLLAND. Then section 8 (a), as reported by the committee, was designed to meet these difficulties, insofar as it was feasible to do so; is that correct?

Mr. GEORGE. That is correct.

Mr. HOLLAND. My second question is this: In preparing section 8 (a) and the report, did the committee take into consideration the statement of the problem by the Florida witness, Mr. Chandler, and the suggested remedies?

Mr. GEORGE. The committee gave full consideration to the statement made by the distinguished senior Senator from Florida and by the witness to whom he now refers.

Mr. HOLLAND. My next question is this: Was it the intent of the committee to recognize the need for emergency action in the case of these perishables, rather than to require that they follow the lengthy procedures prescribed for securing relief for storable commodities?

Mr. GEORGE. The committee report explicitly recognized "that, in the case of perishable agricultural commodities, emergency action under section 22 of the Agricultural Adjustment Act or under the escape provisions of the bill may be necessary to prevent loss or material interference with orderly marketing."

Mr. HOLLAND. It was the intention of the committee, was it not, by means of the emergency provisions incorporated in section 8 (a) to allow much quicker and more effective action than could ordinarily be taken for storable commodities under the old sections of the bill? In connection with this question, I also submit my fourth question, as follows: In using in the report the following language: "The planting, offering for sale, or shipment of large quantities of perishable products within or without the country may create conditions which may require emergency action," is it the intent that, when the Secretary of Agriculture reports in advance of planting and/or harvesting that such conditions exist, or threaten to exist, the President shall be authorized to take emergency action which will prevent the existence of these conditions, rather than being compelled to wait until they actually occur?

Mr. GEORGE. The answer to the question lies not only in this sentence of the report but in the rest of this section of the report and, more importantly, in the provisions of section 8 (a) itself. Section 8 (a) is designed to offer relief, on the speediest basis possible, in accordance with the provisions of section 22 of the Agricultural Adjustment Act and the provisions of the escape clause in section 7 of the bill. Under both these provisions it is not necessary to delay remedial action until the injury has actually occurred.

Mr. HOLLAND. I thank the Senator. As a short addition to that particular

question, I ask the distinguished Senator from Georgia, is it to be understood that, in determining whether there is going to be an emergency condition, the President and the Secretary of Agriculture are not required to wait until the crop is actually ready for marketing, but, at an earlier stage, either at the time of planting, or prior thereto, or thereafter, as it becomes clear that there is or may be more than a reasonable amount of the product to meet the market demands, they may avail themselves of the emergency provisions of section 8 (a) of the bill?

Mr. GEORGE. Mr. President, that, of course, is a somewhat difficult question, but I would say in response to it that the Secretary of Agriculture should, of course, use foresight. Unusually large plantings abroad in the areas supplying this country would be a factor which should be known and followed closely, so that, if evidence is presented that an actual emergency situation would ensue, the President and Secretary of Agriculture might be ready to institute action promptly to invoke the remedy which we undertook to provide in section 8 (a) of the bill. That is as nearly responsive to the question as I feel at liberty, or am able, to make it.

Mr. HOLLAND. I particularly appreciate that answer, because it makes clear for the Record that neither the Secretary of Agriculture nor the President of the United States must needs wait until the actual excess amount of production is in hand, but that they are required to, and may, exercise reasonable foresight and caution to determine, ahead of the actual existence of the excess product, the fact that there will be such an excess, or that such an excess is seriously threatened.

My fifth question to the distinguished Senator is this: Was it the intent of the committee, in phrasing section 8 (a), to make available to producers of perishable fruits and vegetables, the various remedies provided in other sections of this bill, but on an emergency basis, because of perishability?

Mr. GEORGE. It was intended, in consideration of the perishability aspect, to make available, on an emergency basis, the remedies afforded by section 7 of the bill relating to the escape clause and by section 22 of the Agricultural Adjustment Act.

Mr. HOLLAND. My sixth question: Is it therefore the intent of the committee that import quotas may be one of the remedies available in the event the Secretary of Agriculture determines and reports that a condition exists requiring emergency treatment?

Mr. GEORGE. Import quotas are one of the remedies which would be available under section 22 of the Agricultural Adjustment Act, or under section 7 of this bill.

Mr. HOLLAND. And the emergency provisions of section 8 (a) would make both section 7 and section 22, and the remedies thereunder, available, if the emergency were found to exist, and were declared by the President of the United States to exist. Is that correct?

Mr. GEORGE. That is correct, yes.

Mr. HOLLAND. My next question: In view of the fact that the Department of Agriculture, which is directed to make the initial report, has available to it the facts and information upon which a determination as to the need for such an import quota might be made, and has the experienced personnel that could equitably administer such a program, is it the intent of the committee that the President be asked to delegate to the Secretary of Agriculture the necessary authority for carrying out the emergency provisions of section 8 (a)?

Mr. GEORGE. I may say that, as the distinguished Senator has noted, the Secretary of Agriculture would make the initial determination and report as to whether a condition exists requiring emergency treatment. The Tariff Commission would then make an immediate investigation to determine the facts and make recommendations to the President for such relief under section 22 of the Agricultural Adjustment Act or section 7 of this bill as may be appropriate. After the Tariff Commission has made its recommendation, or even before if the emergency merits, the President will decide on the action to take. He might decide to raise the duty or impose a quota. The mechanics of applying rates of duty or quotas to imported commodities would ordinarily be the responsibility of the Bureau of Customs.

Mr. HOLLAND. My eighth question to the distinguished Senator is this: Is it the intent of the committee that such a program should be administered in a manner that would make possible a fair return to the domestic and foreign producer, without penalizing the consumer?

Mr. GEORGE. It is the hope of the committee that the entire trade-agreements program should be administered in a manner that would make possible a fair return to the domestic and foreign producer, without penalizing the consumer.

Mr. HOLLAND. My last question—and I thank the distinguished Senator for his patience—is this: Is it not true that the hearing record—

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield to the Senator from Colorado.

Mr. MILLIKIN. May I have the last question and answer, please?

Mr. GEORGE. The last question asked?

Mr. MILLIKIN. Yes.

Mr. GEORGE. The last question asked was No. 8.

Mr. HOLLAND. Does the Senator wish me to repeat the question 8?

Mr. MILLIKIN. I believe I have it here. Will the Senator yield so that I may add an observation of my own?

Mr. HOLLAND. I yield for that purpose.

Mr. MILLIKIN. I do not believe there is a legal requirement that the program be administered in a manner which would make possible a fair return to the domestic and foreign producer without penalizing the consumer, although I would hope that, as the result of intelligent administration, such a result might

flow from the procedures called for in the bill.

Mr. HOLLAND. I thank the Senator. My ninth and last question is: Is it not true that the hearing record contains copies of agreements reached between domestic and foreign producers of perishable winter vegetables, in which they suggest that their respective governments adopt legislation which would make such a plan operative?

Mr. GEORGE. The answer to that question is that the record of the committee hearings contains a copy of the agreement between the Florida Fruit and Vegetable Association and the Association of Fruit and Vegetable Growers and Exporters of Cuba and an agreement between the Florida Association and the West Coast of Mexico Vegetable Association of Nogales, Ariz. The associations agreed to recommend that trade agreements or other agreements be negotiated between the United States and Cuba and the United States and Mexico with a view to the imposition of absolute quotas on imports of tomatoes into the United States from Cuba and Mexico and to the reduction of the United States tariff on fresh tomatoes by 50 percent or the fullest extent allowed by law.

In the hearing record there also appears the amendment proposed by the Florida Association, and later submitted to the committee for its consideration, providing for the imposition of absolute quotas on tomato imports, with a view to maintaining the market price at parity. After the submission of this proposed amendment the West Coast of Mexico Vegetable Association wrote the committee that, by unanimous vote, it had withdrawn its support of the original plan and expressed its opposition to the proposed amendment. I thought that fact should be added to the answer.

Mr. HOLLAND. I thank the distinguished Senator from Georgia and also the distinguished Senator from Colorado.

I may say, Mr. President, that a copy of my letter to the Senator from Georgia went to the ranking minority member of the Finance Committee, the distinguished Senator from Colorado, because both of these Senators, and, indeed, all members of the committee, had been highly sympathetic to the problem of the Florida producers of perishable fruits and vegetables during the course of the hearings, and the two Senators from Florida felt that the committee, in the submission of its proposed new section 8 (a), was going as far as it felt it could go to meet the undoubted problem of the people who are confronted with the very difficult competition from offshore producers of perishable fruits and vegetables who pay their labor only a fraction of what is paid in Florida and elsewhere in the United States.

In closing, Mr. President, I desire to say that, in my judgment, the producers of perishable products as good Americans have gone a long, long way in their effort to cooperate to meet the need of the Nation and the need of the world for a reciprocal trade-agreement structure under which the resumption of world trade may be encouraged and enhanced.

I want it to appear in the RECORD that, notwithstanding the fact that the recip-

rocal trade agreement formerly existing with Mexico had been canceled, so that a peculiarly difficult situation was created under which one of the offshore producers, namely, the Republic of Cuba, was still under reciprocal trade relations with our Nation, whereas Mexico was not, our producers have, through their various organizations, through numerous conferences with the Department of State, with the Government and the producing groups in Cuba and in Mexico, with the marketing group, and the importing group, particularly in the West, endeavored to reach some solution other than through a request for an amendment to this important act.

The sole purpose of this long series of questions and of the very clear and helpful answers which have been read into the RECORD is the hope of all concerned—and I am sure I speak for all concerned—that real help may be given to those large industries in our Nation which, in the production of much-needed perishable fruits and vegetables, find themselves confronted with competition from offshore, where cheap labor makes possible sales at prices far below those which can be fixed upon similar goods produced in the United States. I am hoping that the needed relief will come to our producers and will leave them in such a position that they can continue their wholesome attitude toward the whole plan.

Mr. President, I again express my very deep appreciation to the chairman of the committee, to the distinguished ranking minority member, and to the committee as a whole for its helpfulness and its manifest effort to reach and to meet this very difficult problem in such a way as to leave thousands of persons whose living is dependent upon the production of these commodities in such a position that they can wholeheartedly support our Government in this worthwhile reciprocal trade-agreement system.

Mr. GEORGE. Mr. President, I wish to thank the distinguished senior Senator from Florida for his statement, and I can assure him that the committee looked with great concern and interest upon the problem which he presented to us. It is hoped that the remedy which the bill provides may be of service and of use and benefit to the producers of perishable fruits and vegetables.

Mr. HOLLAND. Mr. President, I ask unanimous consent that at the conclusion of my remarks there be placed in the RECORD an exchange of correspondence which I have had with the Department of State on the same subject, through a letter of May 1, 1951, to Hon. Winthrop G. Brown, Acting Director, Office of International Materials Policy, of the State Department, and through the reply of Mr. Brown addressed to me under date of May 9, 1951.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

MAY 1, 1951.

HON. WINTHROP G. BROWN,
Director, Office International Trade
Policy, State Department, Washington,
D. C.

DEAR MR. BROWN: This letter is written as a follow-up of my telephone call to you yesterday morning, at which time I advised

you that I had just had an opportunity to examine a copy of H. R. 1612 as it was reported by the Finance Committee, and the committee report. I have noted that the committee did not adopt my amendment regarding perishable agricultural commodities, but did adopt an amendment providing for emergency action with regard to perishable agricultural commodities as outlined in section 8 (a) of the bill as reported by the committee.

I understand that testimony was given to the Finance Committee in executive session that my amendment was not acceptable to the State Department, but that the substitute amendment was acceptable and further that the substitute would allow the accomplishment of the same objectives as my amendment. You will find these objectives set forth in my testimony before the committee on March 1, 1951, which begins on page 443, part I of the printed hearing record. Also, the testimony on behalf of the Florida Fruit and Vegetable Association on this same subject begins on page 472.

I will appreciate a clear statement from you of the reasons why you believe that the committee amendment as outlined in section 8 (a) will accomplish my stated objectives.

Thanking you for an early reply, I remain, with cordial regards,

Yours faithfully,

SPESSARD L. HOLLAND.

DEPARTMENT OF STATE,
Washington, May 9, 1951.

The Honorable SPESSARD L. HOLLAND,
United States Senate.

MY DEAR SENATOR HOLLAND: I have received your letter of May 1 requesting our views regarding section 8 (a) of the trade agreements bill, as reported out by the Senate Finance Committee, in connection with the orderly marketing of perishable commodities.

As noted in the testimony you presented before the Finance Committee and in the testimony of Mr. Chandler, the purpose of introducing legislation relating to imports of perishable fruits and vegetables was to guard against serious injury to the domestic industry arising from sudden, heavy shipments from Cuba and Mexico which depressed the market price abnormally. In order to insure more orderly marketing of these perishable commodities, the amendment which you proposed would provide for the imposition of absolute quotas on imports, on a daily, weekly, monthly, or yearly basis. The account which Mr. Chandler and his colleagues gave us of the situation at earlier intervals showed that daily quotas would be necessary if the problem with which he was concerned was to be effectively solved. The amendment would also require that the quotas be fixed at a point calculated to maintain parity and be adjusted from time to time with a view to maintaining the parity price.

The amendment would create a number of difficulties. For one thing, the amendment did not seem administratively feasible in two principal respects. First, the amendment would require that import quotas be set at a point calculated to maintain the market price of the commodity concerned at parity. The effect of an import quota on the price of a product in the importing country would be difficult to determine under the best of conditions. To calculate in advance a quota which would maintain the parity price on products subject to such sharp fluctuations as the ones in question are alleged to be would be extremely difficult, if at all possible. The amendment, to be sure, anticipated that the quotas would be adjusted from time to time with a view to maintaining the parity price, but the necessity for such adjustment due to the inability to calculate accurately in advance a quota maintaining parity emphasizes the

great administrative burdens involved in the proposal.

Second, it did not appear administratively feasible to apply import quotas for as short a period as the amendment envisaged. In analyzing the proposal originally presented by the Florida Fruit and Vegetable Association, it was found that entries of tomatoes are made at more than 50 places. The Customs Bureau has stated that the administrative burden involved in applying daily or weekly quotas at so many different points of entry would be administratively impracticable. To try to meet this problem, consideration was given to allocating the quotas among ports of entry, but such an arrangement appeared questionable on legal grounds, the Constitution providing in article I, section 9, for equal treatment among the ports of the various States.

In addition to these administrative difficulties, the amendment provided only for limitations on imports, not for comparable restrictions on domestic marketing or production. To apply restrictions to imports but not to domestic marketing or production (a) would probably be ineffective in ensuring orderly marketing in view of the important impact on the price of the quantity of domestic products likely to be offered for sale and (b) would violate the General Agreement on Tariffs and Trade.

Furthermore, sufficient authority already exists under section 22 of the Agricultural Amendment Act for the imposition of the controls contemplated by the amendment to the extent that they are feasible and shown to be necessary. Under section 22 import quotas may be imposed in conjunction with domestic marketing restrictions in order to protect the operation of a farm program, for example, a program to assure the orderly marketing of perishable commodities. Authority for limiting imports also exists in connection with action which may be taken under the escape clauses of trade agreements.

Section 8 (a) of the bill reported out by the Finance Committee was suggested by the American Farm Bureau Federation. It is intended to safeguard the orderly marketing of perishable fruits and vegetables through existing mechanisms by speeding up the procedures under these mechanisms so as to assure prompt relief where the circumstances require.

Briefly, section 8 (a) provides that when the Secretary of Agriculture determines and reports to the President and the Tariff Commission that due to the perishability of an agricultural commodity a situation exists requiring emergency treatment, the Tariff Commission shall make an immediate investigation under the provisions of section 22 of the Agricultural Adjustment Act or under the escape clause provisions in section 7 of the Senate bill to determine the facts and make recommendations to the President for such relief under those provisions as may be appropriate. The President may take action without awaiting the recommendations of the Commission if the emergency requires such action. In any case the finding of the Commission and the decision of the President must be taken at the earliest possible date and in any event not more than 20 days after the case has been submitted to the Tariff Commission.

This procedure, it should be noted, offers two major avenues of relief to domestic producers of perishable crops adversely affected by imports. On the one hand, it offers relief in accordance with section 22 of the Agricultural Adjustment Act of 1933. Hence, if imports are being or are practically certain to be imported into the United States under such conditions and in such quantities as to nullify or materially interfere with a farm program on perishable commodities, then the President would be free to impose either fees or quotas on such imports in order to

correct the difficulty. On the other hand, the procedure offers relief under the escape clause provisions in section 7 of the Senate bill. Hence, if as a result of a concession on a perishable commodity, imports are entering in such relatively increased quantities as to cause or threaten serious injury to the domestic industry, the President is free to withdraw or suspend the concession or impose import quotas in order to prevent or remedy the injury.

Not only does section 8 (a) provide these two, broad means of relief but it ensures that these means will be utilized as expeditiously as possible. It requires the Tariff Commission to make an investigation immediately upon a determination by the Secretary of Agriculture that an emergency situation exists, thus short-cutting the present procedures in the application of section 22 which require going through the President. Even more importantly, the Tariff Commission must make its finding and the President his decision as soon as possible and at the maximum within 20 days after the Tariff Commission gets the case. Finally, the President is authorized, if he thinks it necessary, to act without waiting for the recommendation of the Tariff Commission.

These procedures are comprehensive in their coverage and designed to operate as rapidly as it is reasonably possible to expect. It seems to me that they can make as much of a contribution toward meeting the problem with which you and your constituents are concerned as is administratively practicable and I hope that they will help to meet any difficulties which may arise.

Sincerely yours,

WINTHROP G. BROWN,
Acting Director, Office of International
Materials Policy.

MR. GEORGE. Mr. President, I see that the distinguished Senator from Nevada [Mr. MALONE] has reached the floor, and I hope he is ready to proceed with the discussion of his amendment in the nature of a substitute.

TRADE AGREEMENTS ACT EXTENDS POWER OVER DOMESTIC ECONOMY—CONTINUED FROM MAY 22

MR. MALONE. Mr. President, I have listened very carefully to the debate this morning and to the question-and-answer series with reference to how certain perishable products might be protected.

However, such protection depends upon an implied inclination on the part of the administration, in administering the act, to protect them.

Mr. President, I say again, categorically, that there is nothing in the bill, H. R. 1612, as reported to the Senate by the Finance Committee, that directs the President to do anything.

THE AMENDMENTS GIVE HIM NO ADDITIONAL POWER AND TAKES NONE AWAY

He may protect the perishable agricultural goods industry; he may protect the mining industry; he may protect the textile industry; he may protect the crockery industry; he may protect the precision-instrument industry which is indispensable during war, as are most of the industries mentioned; he may protect such industries which have been pushed to the verge of ruin by the lowered tariffs and import fees when we ever reach the time of peace for which we pray, instead of being in an emergency in which we continually take money out of the pockets of the taxpayers, even beyond their ability to pay, and

then in addition engage in deficit financing and selling bonds to the people in order to hold up our economic structure.

Mr. WELKER. Mr. President, will the Senator yield for a question?

Mr. MALONE. I shall be happy to yield to the Senator from Idaho.

Mr. WELKER. As I understood the remarks of the distinguished Senator from Nevada, he made the statement that the President of the United States might protect industries. I was intrigued a moment ago by a question submitted by the senior Senator from Florida [Mr. HOLLAND] to the senior Senator from Georgia [Mr. GEORGE]. Would the Senator from Nevada kindly enlighten me as to what protection, if any, a produce grower in Florida would have under this bill, as enunciated by the questions propounded a while ago and by the answers apparently already in the hands of the Senator from Georgia?

THE PROPOSED ACT A DELUSION

Mr. MALONE. I shall be very happy to answer the distinguished Senator from Idaho that the perishable agricultural products of Florida have the same protection that all other products of industries in the United States have, and that is the amount of protection that a thoroughly discredited State Department chooses to give them—no more and no less. The 2-year extension proposed by this bill would simply extend that disgraceful procedure.

The bill reported to the Senate is a farce on the face of it, a subterfuge, and a delusion of the American people, because the policy established by the State Department and the President of the United States, presented many times before committees by the Secretary of State and his associates, and by the President in his speeches and messages to Congress, is to make up the trade balance deficits of foreign nations of gifts, loans, through the division of the markets of this Nation—divide the source of our income. In effect, transfer jobs to foreign soil.

Until such division of the markets could be made the trade balance deficits would be made up through gift loans, Marshall plan, ECA, point 4, and so forth. Under these schemes it is proposed to take capital out of the United States and put it behind the sweatshop labor of foreign nations, and produce goods for those nations, and also ship goods into the United States market, thus putting American workmen on the street.

That is what it provides, in so many words. I defy anyone to prove differently on the Senate floor.

UNITED STATES ECONOMY STILL AT MERCY OF
STATE DEPARTMENT

Therefore I will say to the distinguished senior Senator from Florida that if the measure before us becomes law American producers will be at the mercy of the State Department, which has its eye fixed 3,000 or 10,000 miles away from the shores of America, and not in America at all. In the 4 years and a half the junior Senator from Nevada has been a Member of the Senate he has

never known of the State Department having voiced a policy that had the interest of the American producers in mind. If the newspapers have correctly reported the State Department policies and their statements during 15 years before that, what I have said also applies to that period.

Under this measure, as it has reached the Senate floor, the State Department can continue to remake the industrial map of the United States, as it has been doing for 15 years. Administration policy can put out of business the fruit industry of Florida and California. It can put the miners and textile operators out of business. The present policy not only makes it possible but makes it attractive for American capital to go into low-cost labor countries, where sweatshop labor obtains, and not only produce sufficient to supply the markets of those countries, but can send foreign products to the United States.

We hear much voluble debate, ream after ream of it in the RECORD, with respect to what great markets we are establishing for the United States in foreign countries under the ECA program. We heard much talk on this subject, which the public now must understand to have been a lie on the face of it, that the development under ECA would result in making available markets for American businessmen. We heard much such talk during the debate on the subject on the Senate floor. We are not only making it possible but we are making it attractive by the further proposal under point 4 to take away the markets of American businessmen by reason of the fact that no income tax is to be paid on the profits on American investments in other countries.

Mr. LANGER. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. PASTORE in the chair). Does the Senator from Nevada yield to the Senator from North Dakota?

Mr. MALONE. I yield.

Mr. LANGER. Does the Senator from Nevada remember that about 2½ years ago, before the Geneva meeting was held a hearing was had downtown before some so-called experts for the purpose of fixing the prices on products of the mines?

Mr. MALONE. Yes, I recall it.

Mr. LANGER. The senior Senator from North Dakota attended one of those meetings and sat through it for 3 or 4 hours. I may say that I had never seen one of those so-called experts before. They were men who had never been elected by the people of the country.

Mr. MALONE. And the Senator, perhaps, has never seen them since.

Mr. LANGER. They were a group of so-called professionals. Most of them had some kind of college degree. Afterwards I made inquiry and found that very few of them had ever been in a mine.

I am curious to know what was the experience of the Senator from Nevada with those experts. Did the Senator ever attend one of the hearings?

THEORISTS MEDDLE IN BUSINESS

Mr. MALONE. In answer to the distinguished Senator from North Dakota

the junior Senator from Nevada will say he attended one of those hearings prior to 1947; I believe it was immediately following World War II. I can not now fix the date exactly. That was when the junior Senator from Nevada was special consultant to the Senate Military Affairs Committee on Strategic Minerals and Materials. A member of the Military Affairs Committee requested the now junior Senator from Nevada to attend one of the hearings. The member of the committee said: "Hold them if you can until I can arrive. I will be late." Thus, the now junior Senator from Nevada, attended one of the meetings.

The senior Senator from North Dakota could not have more aptly described those who conducted the hearings. The men there were nonentities. No one had ever heard of them. I thought I was fairly well acquainted in technical circles, having belonged to various engineering societies, the American Society of Civil Engineers, and many others, for 30 years. But I had never heard of these individuals. They were holding hearings on tungsten. The junior Senator from Nevada has several times mentioned tungsten on the floor of the Senate. These individuals were about to shut down the tungsten industry. They asserted they were going to lower the tariff on tungsten from 50 cents a pound to 33 cents a pound.

The Senator I mentioned, who was head of the subcommittee on Strategic Minerals and Materials of the Senate Military Affairs Committee finally arrived. He is a man whom I greatly admire. He is one of the best Senators on this floor. He was also one of the best Governors Colorado ever had. His name is Ed JOHNSON. Big Ed finally arrived, and I witnessed a spectacle which nearly caused me to break down and cry. Here was this well-informed Senator, a man of highest reputation in the Senate standing before these great judges, whom no one had ever heard of, whom no one had ever seen before, and whom no one has ever seen since, so far as I know. They had nothing to do in the way of judging the Senator's evidence. They had only to pass it on to some State Department committee, in whose archives, no doubt, it is still buried. Big Ed JOHNSON stood there with his hat in his hand and begged them, almost with tears in his eyes, not to shut down the tungsten mines of the United States by putting into effect the proposed reduction. Did they pay any attention to his plea? They did not even understand what he said.

Mr. WELKER. Mr. President, will the gentleman yield?

Mr. MALONE. I yield to the Senator from Idaho.

Mr. WELKER. I must leave the floor, but I want to ask one other question which came to my mind as the result of the interrogation of the Senator from Georgia [Mr. GEORGE] by the Senator from Florida [Mr. HOLLAND]. I will ask the Senator from Nevada if, from his study of the bill, whether he knows in the proposed Trade Agreement Extension Act of 1951 there is anything that will protect the potato growers of the

United States from the awful disgrace of the importation of Canadian potatoes? The result of the importation being that Idaho No. 1 potatoes lay in the fields and rotted because we could not secure a decent market, or a market which would return to the potato growers of the West even the cost of the fertilizer and irrigation? Can the Senator enlighten me as, apparently, the Senator from Florida was enlightened as a result of his questions relating to perishable commodities? Is there anything in the pending bill that will protect the potato growers of Colorado, Idaho, California, or any other State in the Union from the importation of poor quality Canadian potatoes which flooded every storeroom in America last year to the financial damage and near ruin of the potato producers of the United States?

Mr. MALONE. In reply to the distinguished Senator from Idaho I will say I have no written answer, but I will do the best I can. There is absolutely nothing in the bill, as it is reported to the Senate, with the peril-point amendment, with the escape clause in it, with all the amendments it contains, that would compel or direct the Secretary of State or the President of the United States to change their policy, which is announced and definitely established, and that is not only not to protect American products but to encourage imports. If the junior Senator from Nevada were to take the time to present to the Senate one one-hundredth of the speeches, testimony, and policies laid down by the State Department, we would not finish this debate until the snow flies.

PRESENT AMENDMENTS WILL NOT CHANGE POLICY

There is nothing the most far-reaching imagination can conceive that could compel the Secretary of State to change one iota of the trend of the conferences in Geneva, at Annecy, or the one just ended in Torquay, England, where tariffs were either bound or lowered, without regard to the principle of fair and reasonable competition. The only purpose of the conferences was to furnish markets for the goods of foreign countries. What was the administration's objective which was announced before the very committee which reported this bill? It was to divide the markets to the point where it would not be necessary to send five, six, or seven billion dollars to foreign nations to make up trade-balance deficits, through the Marshall plan, through UNRRA, through point 4, and all the other gigantically expensive, preposterous plans which have been foisted upon the trusting people of the United States for 18 years.

Mr. WELKER. Mr. President, will the Senator yield for one further observation?

Mr. HOLLAND. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Nevada yield; and if so, to whom?

Mr. MALONE. I yield first to the Senator from Idaho.

Mr. WELKER. I take it I can give no assurance to the people of my State and of other States in the West who grow

potatoes, that under the terms of the bill they will not suffer a recurrence of the awful marketing year of 1950 by virtue of the wide open door, the giveaway program, whereby the Secretary of State and the President of the United States say to the potato growers of Canada, "Come in and compete against American potato growers."

Is that observation correct?

SUBSIDIES NEEDED BECAUSE OF LACK OF PROTECTION

Mr. MALONE. I should say that it is. As a matter of fact, instead of expecting any protection, the distinguished Senator from Idaho had better get ready to vote to increase the subsidies.

Let me say to the Senator, and to the heads of all industries in this country, and to the working men of America, that many of our people do not have jobs. The working men of America are not all in factories. Many of them are using a hoe. Many of them are trying to find jobs. Jobs are not plentiful now, although we are at the peak of the police action which is going on in Korea, with billions of dollars being dumped into factories to make jobs. Many of our people do not have jobs. So I say to the distinguished Senator from Idaho that the junior Senator from Nevada will vote for subsidies to hold jobs for American workers, in lieu of tariffs and import fees, until the Congress of the United States gets its feet on the ground and begins to talk sense.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. HOLLAND. Before the Senator from Idaho departs from the Chamber, I should like to make one contribution to the debate, if I may.

First. There is no subsidy so far as Irish potatoes are concerned.

Second. The price-support program which contributed to the debacle of last year, which the Senator has mentioned, has been done away with by an amendment offered by the Senator from Florida, the Senator from Louisiana, and other Senators to prevent and avert a situation in which potatoes would be attracted to a protected market in which Federal money was being spent improperly in the support of a perishable agricultural product.

The third thing I should like to say is that, so far as potatoes are concerned they are affected just as much by section 8 (a) as are the various perishable crops which were mentioned by the Senator from Florida in the presentation of his questions to the Senator from Georgia.

The Senator from Florida felt—and he hopes the Senator from Idaho will approve this approach—that instead of adopting merely a critical and destructive attitude toward the whole program, the producers of perishable commodities of his State were to be commended and assisted in their effort to work out, through a remedial amendment to this legislation, and through agreements entered into with producers in Cuba and Mexico, a program under which the public would not be harmed and the producers of particular perishable agricul-

tural commodities would be helped and brought under the program in a helpful way.

This much of the remarks of the Senator from Nevada is, of course, correct—that the President of the United States does have discretion as to what he will do.

Mr. MALONE. He has absolute discretion, has he not?

Mr. HOLLAND. I believe that the Senator from Nevada was unduly critical in that portion of his remarks directed against the Senator from Georgia [Mr. GEORGE], the Senator from Colorado [Mr. MILLIKIN] and all other members of the very able Senate Committee on Finance, who, in the opinion of the Senator from Florida, endeavored to go as far as they felt they could in helping to meet the problems of the potato producers of Idaho, and producers of other perishable crops throughout the Nation. Instead of being castigated for having gone to the lengths they did in the effort to allow emergency methods to be followed in taking care of the problems of the producers of perishable crops, the Senator from Florida feels that members of the Finance Committee are to be commended and thanked.

Mr. MALONE. Mr. President, does the Senator from Florida wish to ask the Senator from Nevada a question?

Mr. HOLLAND. The only question the Senator from Florida would like to ask the Senator from Nevada, who commented so liberally upon an exchange of questions and answers which he had never seen, is whether or not he had seen those questions and answers before, and was therefore able to make the general denunciation of them which he made in answer to the question of the Senator from Idaho. Had the Senator ever seen or heard the questions of the Senator from Florida and the answers of the Senator from Georgia prior to the time they were brought out on the floor of the Senate?

Mr. MALONE. That is a very good question. I heard the questions read and I heard the answers read. I think that is a very good way to do it. I think that is the only way a good case could be made for the bill. A case cannot be made for the bill if the questions asked by the senior Senator from Florida are answered by anyone else.

Mr. WELKER. Mr. President, will the Senator yield so that I may reply to the Senator from Florida?

Mr. MALONE. I yield.

Mr. WELKER. I must leave the Chamber. I enjoyed the remarks of the senior Senator from Florida with respect to the potato industry of Idaho. However, I must correct him.

The potato growers of Idaho did not suffer last year by virtue of the subsidy or price controls. Fully 65 percent of the potato growers of Idaho have nothing to do with subsidies or price controls. We feel that the commodity which we produce does not need subsidies or controls. But when we have a Government which opens the gate to thousands of tons of worthless Canadian potatoes which compete with us in the open market, as a result of the open-door policy,

we are ruined. That is why the potato grower of Idaho was ruined last year. Now the Senator from Florida tells us that we have done away with subsidies and price controls on potatoes.

What, may I ask, will be done to the potato grower of Idaho this year? He will have no subsidy and no price control. Again he will have the open-door policy. The door will be again open to the Canadian potato producers.

It seems to me that all the Idaho potato grower and the potato growers of Washington, Oregon, and Colorado can look forward to is that the Secretary of State will again say to Canada, "Send in your potatoes by the boatload, by the truckload, and compete with American potato growers of the West."

Mr. HOLLAND. Mr. President, will the Senator yield so that I may reply?

Mr. MALONE. I yield, if I may do so without losing the floor.

Mr. HOLLAND. Let me say to the Senator from Idaho, who doubtless knows the situation in Idaho much better than I could know it, that as a member of the Senate Committee on Agriculture and Forestry the Senator from Florida was very happy when the Idaho Irish Potato Producers Association supported the request and recommendation of a similar group from Florida, to do away with price supports on Irish potatoes, which, apparently, the Idaho producers felt had brought on the destructive situation of last year which has been described by the Senator from Idaho. It is a fact that not only potato producers in Idaho took that constructive position, but also potato producers in Colorado, so ably represented by the ranking minority member of the Committee on Finance. I am not advised as to what was the attitude of the potato producers of Washington, who were mentioned by the Senator from Idaho. The potato producers of the Nation by a great majority made it very clear that they thought the price-support program had been iniquitous and that it had never been justified when applied to a perishable crop, and they thought it was the existence of the price-support program which invited the heavy flow of Irish potatoes across our borders from Canada.

Mr. WELKER. Mr. President, will the Senator yield for one more question? I believe I am learning something about the intricacies of international trade and tariffs.

Mr. MALONE. I am happy to yield.

Mr. WELKER. I must again invite the attention of the senior Senator from Florida to the very salient fact that in February of this year I visited the warehouse of the Wynn-Lovett Grocery Co., in Jacksonville, Fla., which is owned and operated by three very dear college friends of mine. There I saw with my own eyes the reason why the Idaho producers of potatoes, who did not care about subsidies or to depend on someone to hand out money as a guaranty, but were willing to rely on their great product, were in their grave difficulty. In the Wynn-Lovett warehouse in Jacksonville I saw dozens of carloads of Canadian potatoes. They were being sold for practically nothing. Considering the

freight differential between Idaho and Florida, it was impossible, of course, for the people of the South or even the people of the East to get the Idaho product. It was due to the open-door policy which in effect said to Canada, "Ship into the United States all the potatoes you can and compete against the great potato industry of the West."

That is the situation which I wish to bring to the attention of the able Senator from Florida because it has been brought home to me. I saw hundreds of producers in Idaho last year go nearly bankrupt by reason of the policy of permitting Canadian potatoes to be imported, with no tariff, and compete against our producers. That is the question I must answer to my people back home.

Mr. HOLLAND. Mr. President, will the Senator permit me to make one more observation?

Mr. MALONE. I am always happy to yield for a question.

Mr. HOLLAND. The only observation I should like to make is that I hope the potato producers of Idaho will get the same type of relief and as effective relief from the provisions of the new act as the perishable-commodity producers of Florida, who must meet the competition from Cuba and Mexico, hope to receive. We made a good-faith effort to get it. Of course, we cannot control the functioning of the President of the United States. There is no doubt about that. However, we believe that we have made a case and that we will get relief from the President by way of the amended act, as we hope it will be amended. We hope we will get relief for our people, and we likewise hope that the potato producers of Idaho will get relief under the same section of the act.

Mr. WELKER. But the Senator brings it down to hope, and hope alone.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. MALONE. I gladly yield.

Mr. LANGER. Before the distinguished Senator from Idaho leaves the floor I wish to commend him for the very fine fight he was making in behalf of the potato growers in the State of Idaho.

Mr. WELKER. I thank the Senator.

Mr. LANGER. He has done a marvelous job. I am sure the people of his State will appreciate it when they learn exactly what he has done with reference to the pending bill.

The State of North Dakota is very much interested in the potato market, because the State of Idaho and other States of the Union who wish to grow good potatoes get their potato seed from North Dakota. We furnish seed to the potato growers of Colorado, Idaho, and Nevada. We furnish seed for the State of Maine. We furnish the seed for practically every country on the face of the globe. It is the only State in the Union, I believe, in which the seed is certified and guaranteed by the State. When I was Governor of the State a law was passed which provides that the seed must be certified. Previously some seed had gone out which did not grow. We established a system under which our agricultural college and its extension divisions inspect the seed. On the sacks

of seed as they are shipped out there is carried a statement which says, in effect: "Guaranteed by the State of North Dakota."

The State of Idaho has done good work in getting its potatoes advertised. I have gone into restaurants where they have advertised Idaho potatoes. I say to the senior Senator from Idaho [Mr. DWORSHAK] that very likely the Idaho potatoes served in the restaurants came from seed which was grown in North Dakota.

Coming back to what the junior Senator from Idaho said about growers in Idaho going bankrupt, I wish to invite the attention of the distinguished Senator from Nevada to one fact, and ask him a question with respect to it. Does he not know that last year in North Dakota, located adjacent to Canada, there were thousands upon thousands of acres of potatoes on which the potatoes were never dug, and that at the same time, while we were not digging the potatoes in North Dakota, thousands of tons and trainloads of potatoes came into our country from Canada? Is the Senator familiar with the fact?

PRESENT AMENDMENTS JUST A SOP

Mr. MALONE. I will say to the distinguished Senator from North Dakota that the junior Senator from Nevada is familiar with the fact that potatoes did come in by shipload, trainload, and truckload. The junior Senator from Nevada is entirely familiar with that fact. The cushion which has been prepared for Senators, in order to ease their consciences for voting for the bill, is the vain hope that the State Department, which has been proved to be entirely foreign-minded, and which has been proved by statements and testimony and press releases for 18 years to have one objective, namely, to divide our markets with foreign nations and not to protect our industry at all, may have a change of heart through the amendments which have been offered to the bill. That hope should be dashed. In other words, the Secretary of State and the President may have a change of heart and keep the working men and investors of our country from being wiped out, but it is most unlikely. I say to the distinguished Senator from North Dakota that the amendments are not needed. They were in no way needed for a change of heart in the administration to come about, because under the original 1934 act the President and the Secretary of State had full authority to take care of the investors and working men of this country. However, their policy, announced again and again through press releases and testimony, was to the contrary. Now by way of the amendments we make it possible again for them to protect American producers if they have a change of heart, but everyone ought to realize the hopelessness of that expectation.

Mr. LANGER. Mr. President, will the Senator yield further?

NEVADA PRIDES ITSELF ON DOMESTIC COMPETITION

Mr. MALONE. I shall be happy to yield, but first I wish to say that Nevada enjoys competition with North Dakota and Idaho in the potato-raising indus-

try. We too have certified seed. We enjoy the competition with North Dakota. We hope to be able to enjoy the competition with the State of North Dakota, with the State of Idaho, and also with the State of Nebraska. We enjoy it with all other States. We enjoy competition with other States in potato growing, mining, agriculture, and livestock raising. Incidentally, the only reason why anyone still engages in the cattle-raising business in the United States is because of the hoof-and-mouth disease abroad. If the disease is ever cured in Mexico and Argentina, we will all be out of the cattle business here, because there will be no protection against foreign meat imports.

As I said, Nevada enjoys competition with other States, because other States pay approximately the same wages under similar conditions. However, we do not want competition with Canadian labor, which is paid about two-thirds of what the labor in our country is paid, as evidenced by the charts on view in the rear of the Chamber. We cannot meet such competition. We must have something to make up for it.

Mr. LANGER. Mr. President, will the Senator further yield?

The PRESIDING OFFICER (Mr. SMATHERS in the chair). Does the Senator from Nevada yield to the Senator from North Dakota?

Mr. MALONE. I am happy to yield.

Mr. LANGER. Of course, there is no competition between North Dakota potatoes and Nevada potatoes because no one will buy a Nevada potato until the North Dakota seed has been exhausted. So, in reality, there is no competition between them.

I wish to ask the Senator from Nevada if he is not astonished by the admission made a few minutes ago by the senior Senator from Florida, who said that the entire potato program had resulted in a loss of millions of dollars to the Government. Did not that surprise the Senator from Nevada?

TARIFFS HAVE GIVEN WAY TO SUBSIDIES

Mr. MALONE. It is not surprising, really. As I explained yesterday, the policy which has been adopted by the administration is one of substituting subsidies for tariffs. A tariff is paid by the consumers of the particular product, whereas a subsidy is paid by all the taxpayers. The difference between a tariff and a subsidy which is of importance to the taxpayer, under a tariff system of fair and reasonable competition, no one will pay the tariff and will import a commodity unless there is a market for it, whereas under a subsidy system no one cares whether there is a market for the commodity ahead of time, but large imports come in at low prices and the commodities thus imported compete with the similar commodities produced in this country by higher-cost labor. Then, when there is no market for the domestic commodities replaced by cheap imports, they are destroyed—for instance, by pouring kerosene on the surplus potatoes; and naturally the result of the subsidy policy is a tremendous loss to the Government.

In short, the difference between a tariff and a subsidy is that under a subsidy in the United States, 150,000,000 people are called upon by the Government to provide large amounts of money with which to pay to subsidize an industry, whereas under a system of fair and reasonable competition, based on a tariff, the products are sold for what they are worth. That is the only difference.

Mr. LANGER. Is it not true that practically all wars the United States has had, have occurred under a Democratic administration?

Mr. MALONE. Every war in which our country has been involved during my lifetime has occurred under a Democratic administration; and in in each case the administration then in power said that it had to take this action or that, to keep us out of war, but each one of them carrying us really into it.

Mr. LANGER. In view of all the experience the Democratic Party has had with having our country engaged in one war after another, does not the Senator from Nevada think it peculiar that the Democratic Party would not by this time have devised some system whereby subsidies and price controls and tariffs would be taken care of?

Today, after Democratic administrations have had the two recent World Wars, the senior Senator from Florida has said that millions of dollars were lost by the present administration in paying subsidies on potatoes. Is it not true that during the past 18 years the Democratic administration has had thousands of lawyers upon its payrolls and has had hundreds of thousands of other Federal employees; and does not the Senator believe that by this time they should have devised laws which would take effect the moment the Democratic administration got us into another war, so as to prevent the loss of hundreds of millions of dollars, such as were lost as a result of the subsidy on potatoes alone? Does not the present situation go to prove the incompetency and inefficiency of the Democratic administration?

THE BASIS OF TRADE

Mr. MALONE. As a matter of fact, the history of foreign trade beyond the amount of normal trade is that it leads to war. The administration says that if we develop foreign trade we shall prevent wars; but the history of foreign trade is that it leads to war, because there is only one kind of even trade, and practically no nation is satisfied with an even trade. The nations are working for advantage, in connection with trade.

Yesterday I explained what a tariff really does. The only reason for a tariff is to make it possible to trade on an even basis hours of labor in one country with hours of labor in another country.

The charts which now are on display in the Senate Chamber show why there cannot be international trade on an even basis. So the tariff is nothing more or less than a means of evening not only the cost of the labor but the productiveness of the labor, for two items are involved in labor, namely, its cost and its productiveness. In some countries labor is less productive because of either

less efficient machinery or less efficient labor. A tariff which takes those factors into consideration is an even; and if the tariff is adjusted on a flexible basis, it will result in having the hours-of-labor products of the United States traded for the hours-of-labor products of another country. If that arrangement could be worked out, it would be conducive to peace, because then there would be no advantage to a foreign country to hold down its slave labor so as to be able to permit the exportation under a free-trade system, of low-cost commodities which only result in causing antagonism on the part of the laboring men and the investors in the country to which those products are exported.

KARL MARX AND THE SOCIAL REVOLUTION

Mr. President, Karl Marx was an expert on that business. Yesterday I stated for the RECORD what Karl Marx said on this subject. He made a famous address on this subject before the Democratic Club in Brussels, Belgium, on January 9, 1848. In the course of that address he made the following statement:

But, generally speaking, the protective system in these days is conservative, while the free-trade system works destructively. It breaks up old nationalities and carries antagonism of proletariat and bourgeoisie to the uttermost point. In a word, the free-trade system hastens the social revolution. In this revolutionary sense alone, gentlemen, I am in favor of free trade.

Mr. President, the only difference between the conditions which exist at this time and the conditions existing at the time when Karl Marx made that statement is that today a much larger investment is required; an investment of somewhere between \$8,000 and \$12,000, on the average, must be made for every man who works in industry. In those days labor was available at a much lower cost.

Yesterday, when I referred to that statement by Karl Marx, I made the following comment:

Mr. President, the principle has not changed in the 102 years since the outstanding Communist of all time said, in effect, that free trade destroys the workingman. Now, since the investment in industry has risen from a few dollars per employed man to an average of approximately \$10,000 per employed man, the investor is an equal victim. So the administration is following the line of communism, and following the line which Mr. Karl Marx described when he said:

"In this revolutionary sense alone, gentlemen, I am in favor of free trade."

In other words, the conflict between the bourgeoisie and the proletariat hastens the revolution. That would seem even at this late date to be an objective.

So the workingmen and the investors are the victims of free trade. In the long run, a nation which obtains the advantage in the way that foreign nations do when they can undersell us by means of a free-trade system, causes so many difficulties in the other country that the result is the very war which the Democratic administration has claimed it could prevent.

Yesterday, in my remarks before the Senate, I referred to the Underwood tariff, which existed in 1914. That tariff

had such a bad result that immediately after World War I a special session of Congress was called to take action to save the workingmen and investors of the United States.

It is obvious that a free-trade system brings on the very thing which the Democratic administration says it wishes to prevent, and the record demonstrates that clearly.

Mr. LANGER. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. UNDERWOOD in the chair). Does the Senator from Nevada yield to the Senator from North Dakota?

Mr. MALONE. I am glad to yield.

Mr. LANGER. Is the Senator from Nevada familiar with the article written by Woodrow Wilson after World War I, in which he said that war was caused by economic conditions?

Mr. MALONE. I am not entirely familiar with the article, although I know about it.

Mr. LANGER. I may say that his article bears out exactly the argument now being made by the distinguished Senator from Nevada. I recommend the reading of the article to the Senator and I suggest that the pertinent portions of the article be inserted in the RECORD.

Mr. President, I should like to point out again that 72,000 millionaires were created during World War I. Does not

the Senator from Nevada agree that is the correct figure?

Mr. MALONE. That is the record, I believe.

Mr. LANGER. Yes. In other words, those 72,000 millionaires made their money from the poor people of the United States, and that war took place under a Democratic administration. Certainly after the experience in World War I, would it not seem reasonable that when the Democratic Party again got into control—in 1933, and saw the war coming on—for President Roosevelt announced time and against that he saw it coming on—one of the first things that Democratic administration would have done would have been to consider carefully the experience the preceding Democratic administration had in World War I, and then to pass laws which would keep the cost of living from rising and would prevent the creation of a new crop of war millionaires? However, is it not true that, as a result of World War II, more millionaires were created than the ones who were created as a result of World War I? Is not that the record?

Mr. MALONE. I am not entirely familiar with that subject, but I have read press reports which indicate that that probably is true.

SPEEDED-UP AMORTIZATION

Furthermore, more millionaires will be made in connection with the present emergency than have ever before been

made, because we are now shoveling the taxpayers' money out in two ways: first, by financing industries, so as to permit them to expand; and, second, by providing a short amortization period—5 years—for the investments. As a matter of fact, in many cases the money actually is borrowed, although sometimes it is furnished by the companies or the individuals concerned. However, Government revenue is lost by permitting the amortization of the investments on a short-term basis. Tax money is lost, and the poor individual taxpayers have to make it up. I have an up-to-date list or tables showing the enterprises which have received certificates of necessity, for the amortization of the new investment over a period of 5 years. Unfortunately the tables are not quite complete, and I shall endeavor to complete them for the RECORD at a later date. I ask unanimous consent to have that material inserted at this point in the RECORD. Of course, as I said before, many of these firms have borrowed money from the Government as the basis of their added investments, and that is taking from the tax money billions upon billions of dollars of additional tax money which would not be necessary, were it not for the free-trade program.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

5-YEAR AMORTIZATION

Necessity certificates issued

THROUGH JAN. 30, 1951

TA No.	Applicant	Application amount ¹	Amount certified ²	Product or service
1	Jones & Laughlin Steel Corp.	\$60,959,100	\$54,241,774	Steel ingots.
2	do	23,762,300	20,759,213	Steel blooms—slabs.
3	do	4,625,000	4,222,805	Steel—scarfing.
4	do	14,921,000	14,771,000	Steel bars.
5	do	7,248,700	6,948,700	Metallurgical coke.
6	do	10,130,000	9,930,000	Steel rods.
7	do	19,702,000	18,302,000	Tin plate.
8	do	3,182,000	2,882,932	Iron ore unloader.
9	Owens-Corning Fiberglass Corp.	8,351,220	7,086,500	Fibrous glass.
11	Northwestern Steel & Wire Co.	4,505,000	4,500,000	Small bars and shapes.
12	do	12,002,000	8,500,000	Melting stock.
14	Tennessee Products & Chemical Corp.	805,961	805,961	Pig iron.
16	Radio Receptor Co., Inc.	490,000	(3)	Electronic equipment.
18	Donner-Hanna Coke Corp.	2,324,736	2,324,736	Coke ovens.
19	Great Lakes Steel Corp.	24,833,800	24,400,000	Pig iron.
20	Albion Malleable Iron Co.	1,353,380	1,353,380	Iron castings.
21	Youngstown Sheet & Tube Co.	20,135,000	20,135,000	Steel ingots.
22	do	31,560,000	31,560,000	Pig iron, coke, ingots.
23	do	34,400,000	34,400,000	Steel ingots.
25	Allied Control Co.	56,149	56,149	Relays and coils.
26	do	35,430	35,430	Do.
27	Quaker Rubber Corp.	1,218,553	1,218,553	Industrial rubber goods.
28	Chicago & Eastern Illinois R. R. Co.	3,500,000	3,500,000	Transportation (boxcars).
30	do	640,000	640,000	Transportation (gondola cars).
35	Aeroquip Corp.	376,367	376,367	Flexible hose lines.
38	Lone Star Steel Co.	73,425,200	73,425,200	Steel tubing.
39	Connors Steel Co.	1,286,970	1,286,970	Rolling-mill products.
42	Lehigh Valley R. R.	8,535,490	8,535,490	Transportation (box, hopper, and flat cars).
45	United Steel & Wire Co.	30,060	30,060	Barbed wire.
47	Marsh Steel Corp.	215,650	55,650	Steel warehousing.
51	General Refractories Co.	77,500	77,500	Silica—refractory brick.
52	do	55,695	55,695	Refractory brick.
53	do	78,832	78,832	Do.
54	do	2,040,530	2,040,530	Do.
55	do	1,310,090	1,310,090	Do.
56	do	63,030	63,030	Do.
57	do	548,100	548,100	Do.
58	Harbison-Walker Refractories Co.	1,817,205	1,816,615	Do.
59	do	5,399,775	5,385,298	Do.
60	do	1,433,424	1,433,424	Do.
61	do	852,703	852,703	Do.
62	Edward Swanson trading as Edson Tool & Manufacturing Co.	25,000	25,000	Battery boxes.
64	Schaefer Machine Co.	21,385	21,385	Bolts, shafts, fittings, etc., for aircraft.
66	Heintz Manufacturing Co.	210,000	204,000	Cartridge cases, artillery projectiles.
68	Owens-Corning Fiberglass Corp.	750,000	675,000	Fibrous glass.
69	S. K. Wellman Co.	3,678,770	3,650,870	Clutch and brake parts.

Footnotes at end of table.

Necessity certificates issued—Continued

THROUGH JAN. 30, 1951

TA No.	Applicant	Application amount ¹	Amount certified ²	Product or service
71	West Virginia Steel & Manufacturing Co.	\$3,014,352	\$3,014,352	Semifinished steel.
72	The Cooper Alloy Foundry	243,358	243,358	Metal centrifugal and sand castings.
73	Empire Steel Co.	9,550,000	9,543,500	Carbon and silicon steel.
74	Great Lakes Steel Co.	18,000,000	17,280,000	Coke ovens.
77	Houdaille-Hershey Corp.	640,000	640,000	Tank track link bodies.
82	Republic Steel Corp.	77,950,000	77,662,000	Steel ingots.
87	Sylvania Electric Products, Inc.	1,075,000	1,065,000	Electronics.
92	Arwood Precision Casting Co.	94,100	92,100	Castings.
101	Grumann Aircraft Engineering Corp.	88,825	88,825	Airplane parts.
104	The Chesapeake & Ohio Ry. Co.	9,941,184	9,941,184	Transportation (railroad-car ferries).
105	The Parker Appliance Co.	512,721	503,221	Rubber rings, gaskets, seals.
106	The Chesapeake & Ohio Ry. Co.	31,587,000	31,587,000	Transportation (freight cars).
109	Kaiser Steel Corp.	24,595,000	20,160,100	Steel ingots—tin plate.
113	Hazleton Steel & Tubing Co.	4,275,340	4,175,430	Steel tubing.
115	Micro Switch Division of Minneapolis-Honeywell	650,000	630,000	Electrical appliances (precision switches).
117	Mechanical Products, Inc.	159,857	159,857	Electrical appliances.
118	Switlik Parachute Co., Inc.	249,048	249,048	Parachutes, life vests, etc.
120	Austenal Laboratories, Inc.	292,850	292,850	Aircraft parts.
122	Roller Bearing Co. of America	1,433,961	1,427,461	Bearings.
123	Capital Foundry Co.	1,452,500	1,377,500	Steel castings.
126	The Barden Co.	622,693	622,693	Ball bearings.
137	Star Tool & Die Works	266,000	230,000	Aircraft fixtures.
142	Kaybestos-Manhattan, Inc.	359,007	359,007	Clutch plates.
144	Mexico Refractories Co.	1,409,950	1,409,950	Refractory brick.
146	Carboloy Co., Inc.	2,199,215	2,174,215	Tungsten carbide cores.
147	do.	320,000	320,000	Tungsten carbide blanks.
151	Struthers Wells Corp.	17,501	17,501	Gun tubes.
155	Waldorf Instrument Corp.	59,423	59,423	Jet engine metering devices.
156	Gitz Bros.	3,404	3,375	Shaft seals for aircraft, tank engines.
158	General Refractories Co.	602,326	602,326	Refractory brick.
161	Blaw-Knox Co.	58,000	58,000	Steel castings.
167	Seren Tool & Manufacturing	2,832	2,832	Tank gun assemblies.
169	Collins Engineering Co.	95,000	95,000	Aircraft hardware.
170	Thompson Products, Inc.	4,930,000	4,930,000	Aircraft engine parts.
172	Air Reduction Co., Inc.	562,125	562,125	Liquid oxygen.
173	Minneapolis-Honeywell Regulator Co.	2,316,618	2,316,618	Electronic controls (aircraft).
174	Crucible Steel Co. of America	1,127,749	1,127,749	Coal.
175	do.	3,166,320	3,166,320	Coke.
176	do.	22,957,824	22,957,824	Steel ingots—pig iron.
181	Woodward Iron Co.	4,500,000	4,500,000	Pig iron.
183	The Dow Chemical Co.	17,180,000	17,124,750	Magnesium sheet.
184	do.	4,150,000	4,150,000	Magnesium extrusions.
185	do.	3,237,000	3,237,000	Magnesium alloy, sheets and extrusions.
186	do.	1,065,000	1,065,000	Do.
187	do.	791,600	791,600	Magnesium alloy and extrusions.
188	do.	578,400	578,400	Magnesium sheet.
189	do.	194,000	194,000	Magnesium sheet, extrusions and alloy.
190	do.	350,000	350,000	Do.
196	White Fuel Corp.	800,000	800,000	Storage (petroleum products).
197	The Dolite Co.	100,000	100,000	Roasted refractory dolomite.
198	do.	35,417	35,417	Roasted refractory brick.
199	Union Oil Co. of California	135,000	135,000	Aviation gas.
201	Ohio River Co.	1,438,622	1,438,622	Transportation (steel barges).
202	do.	400,000	400,000	Transportation (tow boat).
203	Brooks & Perkins Inc.	573,500	536,000	Magnesium alloy, sheets and plate.
213	Alabama By-Products Corp.	2,418,636	2,418,636	Metallurgical coke, benzene, tar.
217	American Lava Corp.	712,140	712,140	Ceramic cores.
218	Tube Processing Inc.	12,425	12,425	Fuel and oil lines (aircraft).
219	Keystone Steel & Wire	1,500,000	1,500,000	Steel ingots.
222	Northwest Magnesite Co.	5,811,091	5,786,979	Dead burned magnesite.
223	Harbison-Walker Refractories Co.	925,231	925,231	Calcined clay.
224	do.	1,621,345	1,621,345	Refractory brick.
225	do.	1,024,999	1,024,999	Silica, refractory brick.
227	Experiment, Inc.	28,000	28,000	Research (guided missiles and jet engines).
233	McPhillips & Co., Inc.	34,180	34,180	Pack, field and parachute.
236	General Refractories Co.	3,677,550	3,677,550	Refractory brick.
239	Warren Webster & Co.	250,000	250,000	Booster metal parts (ordnance).
240	The New York Air Brake Co.	748,870	748,870	Hydraulic pumps (aircraft).
241	Green River Steel Co.	8,001,032	8,001,032	Carbon steels.
242	Island Machine Co., Inc.	45,928	45,928	Precision machined aircraft assemblies and parts.
247	Dresser Industries, Inc.	663,070	636,845	Steel rings (jet engines).
264	Cook Electric Co.	276,094	267,043	Relay, assembly, fuel, control switch aircraft.
265	The Aircraft Fittings Co.	124,506	124,506	Tube fittings, hose couplings, aircraft.
267	Lehigh & New England R. R. Co.	2,275,000	2,275,000	Transportation (rail).
270	Harvey Machine Co., Inc.	400,000	400,000	Rocket fuzes and shells.
271	General Laboratory Associates, Inc.	83,100	81,100	Ignition equipment, aircraft.
276	Republic Steel Corp.	6,000,000	6,000,000	Coke.
278	do.	500,000	500,000	Pig iron.
279	do.	1,750,000	1,750,000	Steel ingots.
280	do.	705,000	705,000	Do.
281	do.	7,000,000	7,000,000	Coke.
283	Surplus & Salvage Co., Inc.	30,000	30,000	Scrap (iron).
294	Gould-National Batteries, Inc.	1,056,500	1,051,500	Ordnance and aircraft batteries.
298	Raytheon Manufacturing Co.	2,007,720	2,007,720	Magnetron tubes.
299	Armco Steel Co.	12,243,981	12,243,981	Steel ingots and plates.
300	do.	59,275,000	59,275,000	Coke, pig iron, steel products.
301	Sheffield Steel Corp.	10,500,000	10,500,000	Steel ingots.
312	Minneapolis-Honeywell Regulator Co.	3,788,000	3,788,000	Auto-pilots, fuel gages, gyros (aircraft).
314	The M. W. Kellogg Co.	154,084	127,733	Liquid rocket engines.
325	The Dolite Co.	35,000	35,000	Roasted refractory dolomite.
326	do.	166,700	166,700	Do.
327	do.	426,993	426,993	Do.
328	do.	73,294	73,294	Do.
329	McLouth Steel Corp.	2,294,442	2,294,442	Steel ingots, hot rolled steel.
334	The Massey-Harris Co.	1,806,196	1,779,096	Carriage, howitzer.
351	Hofmann Industries, Inc.	241,800	223,800	Carbon steel (strip).
352	Sharon Tube Co.	2,333,532	2,313,532	Pipe.
362	The Apex Tool Co.	139,754	135,754	Aircraft engines, parts and accessories.
369	Castings Engineers, Inc.	125,692	100,692	Precision invest castings.
372	Merrill Bros.	141,934	141,934	Impression die forgings (metals).
373	The M. B. Manufacturing Co., Inc.	108,240	108,240	Aircraft engine mounts and fittings.
374	The Deutsch Co.	54,333	54,333	Hydraulic fittings, aircraft, rocket fms.
375	Aircraft Products Co.	12,354	12,354	Machine metal parts for aircraft.

Footnotes at end of table.

Necessity certificates issued—Continued

THROUGH JAN. 30, 1951

TA No.	Applicant	Application amount ¹	Amount certified ²	Product or service
377	Armco Steel Co.	\$32,000,000	\$32,000,000	Hot rolled steel.
378	do.	1,426,725	1,426,725	Hot rolled electrical steel sheets.
379	do.	49,046,700	49,046,700	Coke, pig iron, steel ingots.
381	National Steel Co.	4,210,000	4,210,000	Coke.
382	do.	2,868,425	2,868,425	Steel ingots.
383	Detroit Steel Corp.	52,342,848	47,797,100	Carbon, sheet steel.
384	Extruded Hinge Co.	21,500	21,500	Aircraft hinges and connectors.
393	The Glenn L. Martin Co.	76,496	76,496	Aircraft, guided missiles, special weapons.
399	Howard Foundry Co.	1,222,175	1,222,175	Combustion cases, jet engine (aircraft).
401	California Bag & Metal Co.	41,390	41,390	Scrap iron (processing).
405	Wheeling Steel Corp.	8,750,000	8,750,000	Coke.
409	Chrysler Corp.	15,973,900	15,973,900	Military tanks.
410	Oceanside Machine Shop	31,035	31,035	Machining steel parts for airplanes.
411	do.	12,584	12,584	Do.
417	Whitney Blake Co.	451,951	451,951	Field wire (Signal Corps).
421	J. P. Seeburg	127,230	127,230	Radio and radar apparatus.
425	The Deutsch Co.	354,179	354,179	Hydraulic fittings (aircraft).
432	Miller Printing Machinery Co.	125,000	125,000	Mounts for 90 millimeter gun.
445	Republic Aviation Corp.	5,348,047	5,166,139	Aircraft.
450	Spencer Wire Co.	1,215,685	1,215,685	Copper wire; steel wire.
452	Blaw-Knox Division of Blaw-Knox	50,900	50,900	Radio, radar towers.
458	Detroit Kellering Co.	103,970	103,970	Machining of engine mount.
463	Capital City Machine	13,710	13,710	Tools, gages (aircraft).
471	Allegheny Ludlum Steel Co.	5,266,000	5,266,000	Alloy steel sheets.
474	Machlett Laboratories, Inc.	555,000	555,000	Electronic tubes.
476	Jones & Laughlin Ore Co.	3,500,000	3,293,035	Iron ore.
477	do.	2,951,425	2,951,425	Sintered iron ore.
478	do.	9,093,700	8,043,700	Iron ore.
479	do.	2,000,600	1,962,000	Steel tube rounds.
482	A. O. Smith	7,695,990	7,590,833	Pipe, gas transmission.
488	Progress Manufacturing Co., Inc.	14,214	14,214	Spot welding (electronic equipment).
492	Washburn Wire Co.	638,000	638,000	Steel ingots.
511	Aero Trades Manufacturing Co.	37,000	30,000	Aircraft parts assembly.
515	Silent Glow Oil Burner Corp.	30,040	30,040	Mine case, mine grate.
520	Filtrol Corp.	725,406	725,406	Pallated catalyst (for use in gasoline and rubber production).
521	do.	1,979,703	1,979,703	S. R. catalyst.
523	Special Steels Co.	227,751	227,751	Scrap iron and steel.
530	AVCO Manufacturing Co.	23,468	23,468	Tappet guides (aircraft).
531	National Water Lift Co.	47,803	47,803	Housing assembly (aircraft).
535	Acme Industrial Co.	45,942	45,942	Hydraulic parts (aircraft).
538	South-Bend Screw Products, Inc.	75,551	75,551	Aircraft engine parts.
539	The Wel-Met Co.	412,534	412,534	Bearings and parts (aircraft ordnance).
546	Lehigh Valley R. R. Co.	1,377,782	1,377,782	Transportation (rail).
571	Harbison-Walker Refractories Co.	1,659,659	1,659,659	Refractories.
572	do.	5,309,131	5,309,131	Silica refractories.
574	McDonnell Aircraft Corp.	1,115,922	1,115,922	Aircraft parts.
576	The Thomas Steel Co.	1,142,417	1,142,417	Cold-rolled steel.
577	Cablar Products Co.	64,935	64,935	Airframe machined parts.
585	Tung-Sol Lamp Works, Inc.	60,600	60,600	Electron tube.
588	McLouth Steel Corp.	24,055,906	22,891,877	Steel ingots.
595	Marcus Mason & Co., Inc.	83,071	83,071	Couplings (aircraft).
600	Boeing Airplane Co.	343,107	281,014	Aircraft.
602	Seaboard Air Line Ry. Co.	5,997,534	5,997,534	Transportation (rail).
605	do.	10,114,480	10,114,480	Do.
611	Hutchinson Pipe and Waste Materials	23,450	23,450	Steel scrap.
614	Commercial Metals Co.	136,892	136,892	Scrap iron.
622	Ohio Ferro-Alloys Corp.	1,400,000	1,400,000	Ferromanganese, silicomanganese.
628	Pittsburgh Steel Co.	2,120,000	2,120,000	Pig iron.
629	do.	8,757,000	8,757,000	Steel ingots.
630	do.	7,254,000	7,254,000	Shell steel, forging billets.
631	do.	38,097,000	38,047,000	Steel plates and sheets.
646	Steel Briquette Corp.	35,000	35,000	Steel scrap (tin can briquettes).
651	Lavelle Aircraft Corp.	135,574	135,574	Engine mounts for airplanes.
707	Aero Supply Manufacturing Co.	118,000	118,000	Aircraft hardware and parts.
710	A. P. Green Fire Brick Co.	407,265	407,265	Refractories (fire brick).
711	do.	294,229	294,229	Do.
724	National Steel Corp. (Weirton)	982,000	982,000	Tin, steel scrap.
725	do.	1,352,000	1,352,000	Pig iron.
727	The Interlake Steamship Co.	6,000,000	6,000,000	Transportation (lake ore ship).
731	Sundstrand Machine Tool Corp.	550,605	550,605	Alternator drive (aircraft).
732	do.	2,827,175	2,827,175	Do.
733	Raytheon Manufacturing Co.	800,000	720,000	Tubes (electronic).
742	Hansen-Lynn	2,200	2,200	Aircraft controls.
751	Walsh Refractories Corp.	335,850	335,850	Refractories (brick).
755	Big Savage Refractories Corp.	581,762	581,762	Do.
769	Aircraft Engineering Products	52,464	52,464	Aircraft hydraulic cylinders.
784	Axelson Manufacturing Co.	1,125,000	655,000	Aircraft gears.
787	Tennessee Coal, Iron & Railroad Co.	41,525,000	41,525,000	Iron ores, steel.
788	Geneva Steel Co.	4,263,000	4,263,000	Steel ingots.
789	Carnegie-Illinois Steel Corp.	351,414,000	326,255,000	Pig iron, steel ingots, coke and coal chemicals.
790	National Tube Co.	46,631,420	46,631,420	Buttweld pipe.
791	Pittsburgh Steamship Co.	16,500,000	16,500,000	Transportation (lake ore ship).
792	Bradley Transportation Co.	6,490,000	6,490,000	Transportation (lake freighter).
801	The Columbia Transportation Co.	12,000,000	12,000,000	Transportation (lake ore ship).
835	United Aircraft Corp. (Pratt & Whitney)	19,847,085	19,847,085	Aircraft engines and parts.
837	United Aircraft Corp. (Sikorsky division)	2,691,105	2,691,105	Helicopters and parts.
838	United Aircraft Corp. (Hamilton Standard)	2,369,460	2,369,460	Aircraft propellers and equipment.
858	Lewyt Corp.	3,194,783	2,894,783	Communication equipment.
878	North American Refractories Co.	281,024	281,024	Silica brick.
898	National Steel Corp. (Weirton division)	1,172,000	1,172,000	Pig iron.
899	Great Lakes Steel Corp.	650,600	650,600	Steel products.
902	do.	2,062,700	2,062,700	Coke.
907	New England Steel Development Corp.	250,000,000	250,000,000	Steel.
912	Weatherhead Co.	827,610	816,410	Aircraft hose assemblies.
920	Jackson-Hope Towing Co., Inc.	94,360	94,360	Transportation (barge).
922	The Ironton Fire Brick Co.	170,000	170,000	Firebrick and plastic refractories.
951	Keystone Steel & Wire Co.	295,000	295,000	Steel wire.
953	Rotary Electric Steel Co.	1,605,000	1,605,000	Steel bars.
959	Goodyear Corp.	216,694	216,694	Fuel tanks.
972	Rotary Electric Steel Co.	450,000	450,000	Steel ingots.
1036	Republic Steel Corp.	386,000	386,000	Do.
1103	Bethlehem Steel Co.	19,034,000	18,884,000	Pig iron, steel ingots.

Footnotes at end of table.

Necessity certificates issued—Continued

THROUGH JAN. 30, 1951

TA No.	Applicant	Application amount ¹	Amount certified ²	Product or service
1104	Oregon Steel Mills.....	\$245,865	\$245,865	Steel ingots and bars.
1114	Bethlehem Steel Co.....	1,642,000	1,642,000	Steel ingots, rails.
1115	do.....	36,401,000	36,401,000	Coke, pig iron, steel ingots.
1116	do.....	2,906,000	2,231,000	Pig iron, steel ingots.
1119	Bethlehem Pacific Coast Steel Corp.....	3,248,000	2,932,000	Steel ingots, nuts and bolts.
1120	do.....	362,000	362,000	Steel ingots, bolts.
1145	Bethlehem Steel Co.....	56,000,000	56,000,000	Coke, pig iron, steel ingots.
1147	do.....	2,831,000	2,831,000	Steel ingots and slabs.
1148	do.....	19,613,000	19,613,000	Coke, pig iron, steel ingots.
1149	Bethlehem Pacific Coast Steel Corp.....	2,123,000	2,123,000	Steel ingots.
1181	Nicholson Universal Steamship.....	9,930,000	9,930,000	Transportation (Lakes freighters).
1215	Laclede Steel Co.....	492,233	492,233	Steel ingots.
1222	National Steel Corp. (Weirton division).....	3,319,000	3,319,000	Pig iron, steel ingots.
1464	Jones & Laughlin Steel Corp.....	8,955,300	8,955,300	Pig iron.
1465	do.....	9,259,000	9,259,000	Steel ingots.
1466	do.....	9,144,850	9,144,850	Steel plates, sheets and strips.
1467	do.....	1,485,000	1,485,000	Steel ingots and slabs.

¹ Cost of facilities estimated by applicant.² Amount of preceding column eligible for percentage certification.³ No dollar amount certified at time certificate was issued.⁴ Application revised, returned to delegate agency.

Source: Business Expansion Office (Byron D. Woodside, Director).

JAN. 25 TO MAR. 7

Name of company and location of facilities	Product or use	Amount certified	Name of company and location of facilities	Product or use	Amount certified
North American Rayon Co., Childersburg, Ala.	Rayon yarns.....	\$18,759,098	Columbus Engineering Co., Columbus, Ohio	Ordinance supplies.....	\$40,000
B. F. Goodrich Co., Marion, Ohio.....	Aircraft type hose.....	2,401,516	Riegel Paper Corp., Columbus County, N. C.	Pine, pulp and hardwood pulp.....	13,807,500
Chicago & Eastern Illinois R. R. Co., Chicago, Ill.	Railway transportation.....	581,964	Spokane International, Spokane, Wash.	Railroad transportation.....	160,129
Chicago Heights Terminal Transfer Co., Chicago Heights, Ill.	do.....	290,982	North Carolina Pulp, Plymouth, N. C.	Semichemical pulp.....	1,051,713
do.....	do.....	450,000	Harbor Tug & Barge, San Francisco, Calif.	Transportation, towboat.....	75,000
Atwood-Vacuum Machine Co., Rockford, Ill.	Aircraft parts.....	1,500,000	Upper Mississippi Towing Co., Minneapolis, Minn.	Transportation, barge.....	962,597
Lehigh Valley Railroad Co., New York State.	Railway transportation.....	76,249	Wilson Transit Co., Great Lakes area.....	Transportation, Great Lakes ore.....	533,687
Diercraft, Pulaski Highway, Baltimore, Md.	Tools, dies, jigs.....	422,599	Hollingsworth & Whitney, Mobile, Ala.....	Pulp and specialty papers.....	13,800,000
Lehigh Portland Cement Co., Bunnell, Fla.	Portland cement.....	11,062,290	Pan American Refining Co., Texas City, Tex.	Benzene.....	1,100,000
Halifax Paper Co., Roanoke Rapids, Va.	Kraft pulp, paper, and corrugating board.....	6,200,000	Eastern Rayon Mills, Parkersburg, W. Va.	Rayon tire yarn.....	9,025,000
Boston & Maine R. R.	Railway transportation, Diesel locomotive.....	2,916,880	Chesapeake & Ohio R. R. Co., Cheviot, Ohio, to Peru, Ind.	Track line.....	3,501,600
Rothschild Oil Co., Santa Fe Springs, Calif.	Components for aviation gas.....	2,050,000	Capital City Machine, Hartford, Conn.	Aircraft supplies.....	13,710
Waldorf Instrument Co., New York, N. Y.	Aircraft parts.....	160,000	Meade Corp. (undisclosed).....	Kraft container board.....	21,480,000
do.....	do.....	59,423	Meade Corp., Chillicothe, Ohio.....	Wood pulp.....	4,930,500
Gitz Bros., Chicago, Ill.	do.....	3,375	Meade Corp., Kingsport, Tenn.	Wood pulp (soda).....	4,258,000
Chesapeake & Ohio R. R. Co., Cleveland, Ohio.	Railway transportation.....	66,422,000	Gulf Oil Corp., Port Arthur, Tex.	Isobutane gasoline.....	18,485,342
Union Oil Co. of California.....	Gasoline components.....	4,500,000	Ace Steel Baling, Inc., Toledo, Ohio	Scrap iron.....	41,245
Ohio River Co., Cincinnati, Ohio.....	River transportation, steel barges.....	1,458,622	Defoe Shipbuilding Co., Bay City, Mich.	Transportation, Great Lakes ore.....	61,270
Ohio River Co., Cincinnati, Ohio.....	River transportation, towboats.....	400,000	Heintz Manufacturing Co., Philadelphia, Pa.	Aircraft parts.....	694,800
Chicago & Great Western R. R. Co.	Railway transportation for entire system.....	1,757,624	Burgess Norton Manufacturing Co., Geneva, Ill.	Tank parts.....	98,000
Wbeelling Bronze Castings Co., Glen Dale, W. Va.	Busbings, pistons, bearings.....	20,544	do.....	do.....	206,975
Fletcher Oil Co., Wilmington, Calif.	Gasoline, fuel oil.....	176,250	do.....	do.....	388,000
Experiment, Inc., Richmond, Va.	Research.....	28,000	Reiss Steamship Co., Manitowoc, Wis.	Transportation, Great Lakes ore.....	365,000
T. C. Wheaton Co., Millville, N. J.	Pharmaceutical glassware.....	1,445,443	Lakeside & Marblehead R. R. Co., Marblehead, Ohio.	Railroad transportation.....	98,182
Wheaton Glass Co., Millville, N. J.	do.....	891,934	Special Steels Co., Newark, N. J.	Scrap iron and steel.....	227,751
Levington Shipbuilding Co., Orange, Tex.	Transportation, petroleum barges.....	580,000	Thilmony Pulp & Paper Co., Kaukauna, Wis.	Kraft paper.....	2,962,000
Waste Material Corp., Michigan City, Ind.	Processing scrap iron.....	14,450	Marine Transit Co., Illinois River	Transportation, barge.....	384,515
Armour & Co., Bartow, Fla.	Sulfuric acid and triple sulfur phosphate.....	1,975,500	Marvel Schebler Products Division, Borg-Warner Co., Decatur, Ill.	Aircraft parts.....	796,112
Wm. Miller Corp., Pasadena, Calif.	Engineering services, research instruments.....	185,000	Pesco Products Division, Borg-Warner Co., Bedford, Ohio.	Aircraft accessories.....	996,078
A. L. Mechling Barge Lines, Inc., Mississippi River.	Transportation, barge oil.....	138,000	Goldberg Iron & Steel, Columbus, Ohio.....	Ferrous and nonferrous scrap.....	215,000
Skirvin Tool & Engineering Co., Indianapolis, Ind.	Assemblies for aircraft and Diesel locomotives.....	129,500	Lehigh Valley R. R. Co., New York State.	Railroad transportation.....	1,377,782
Surplus & Salvage Co., Inc., Jamestown, N. Y.	Scrap iron.....	30,000	Huss Lumber Co., Chicago, Ill.	Lumber.....	585,970
Gulf, Mobile & Ohio R. R. (entire system).	Rail freight cars and locomotives.....	14,550,241	W. S. Moore Co., Virginia, Minn.	Iron ore.....	175,000
Calaveras Cement Co., San Andreas, Calif.	Portland cement.....	2,235,106	Seahoard Air Line R. R. Co. (rail system)	Transportation.....	16,786,401
Arco Steel Corp., Rusk, Tex.	Iron ore.....	1,500,000	do.....	do.....	9,593,916
Gibraltar Corrugated Paper Co., Inc., North Bergen, N. J.	Corrugating paper board.....	2,269,850	Commercial Metals, Beaumont, Tex.	Scrap iron.....	130,601
Wood River Oil Refining Co., Inc., Gary, Ind.	Gasoline, fuel oil.....	7,086,000	Hutchinson Pipe & Waste, Fort Worth, Tex.	do.....	148,914
Chicago, Rock Island & Pacific Railroad Co. (entire system).	Railway transportation.....	23,700,000	Hutchinson Pipe & Waste Materials Co., Odessa, Tex.	Steel scrap.....	23,450
Fitchburg Paper Co., Fitchburg, Mass.	Wood, pulp, paper.....	598,614	Commercial Metals Co., Houston, Tex.	Scrap iron.....	136,892
Union Bag & Paper Co., Savannah, Ga.	Corrugated boxes, paper, and waxed paper.....	18,000,000	Ohio Ferro Alloys Corp., Philo, Ohio.	Ferro and silica manganese.....	1,700,000
Harbor Tug & Barge, San Francisco, Calif.	Transportation, towboat.....	75,000	DeBardeleben Coal Corp., River Bluff, Ala.	Coal transportation.....	850,000
Levelland Refining Co., Levelland, Tex.	Aviation gasoline.....	2,441,763	Hillman Transportation Co., Pittsburgh, Pa.	Transportation, barge.....	900,000
John I. Hay Co., inland waterways.	Transportation, towboat.....	503,000	Steel Briquette Corp., Atlanta, Ga.	Steel scrap (tin can briquettes).....	35,000
Detroit Steel Corp., Portsmouth, Ohio.	Carbon, sheet and steel.....	47,797,100	Tbe Trane Co., Lacrosse, Wis.	Aluminum neat transfer service.....	409,756
Hufford Machine Works, El Segundo, Calif.	Metal aircraft parts.....	204,184	Consolidated-Vultee Aviation Corp., San Diego, Calif.	Airplanes.....	139,600
Macon Iron & Paper, Macon, Ga.	Waste paper, steel scrap.....	38,000	do.....	Airplane parts.....	1,511,838
California Bag & Metal Co., Portland, Oreg.	Scrap iron, processed.....	41,390	Super Service Motor Freight Co., Nashville, Tenn.	Truck transportation.....	470,000
The Bay Petroleum Co., Chalmette, La.	Gasoline components.....	1,726,500	Continental Steel Corp., Kokomo, Ind.	Steel ingots and sheets.....	5,302,000
			Aero Supply Manufacturing Co., Corry, Pa.	Aircraft hardware and parts.....	118,000

Necessity certificates issued—Continued

JAN. 25 TO MAR. 7

Name of company and location of facilities	Product or use	Amount certified	Name of company and location of facilities	Product or use	Amount certified
Learner Co., Oakland, Calif.	Ferrous and nonferrous scrap.	\$90,500	Bethlehem Cuh Iron Mines, Morgantown, Banks County, Pa.	Pyrates and iron ore.	\$34,343,000
National Steel Corp. (Weirton Division), Weirton, W. Va.	Tin, steel scrap.	982,000	Bethlehem Cuh Iron Mines, Warwick Township, Chester County, Pa.	do.	4,037,000
Do.	Pig iron.	1,352,000	Bethlehem Steel Co., Great Lakes.	Transportation.	12,000,000
Interlake Steamship Co., Great Lakes area.	Great Lakes ore transportation.	6,000,000	Youngstown Sheet & Tube Co., East Chicago, Ind.	Buttweld pipe.	7,800,000
Boeing Aircraft Co., Seattle, Wash.	Engineering aircraft production.	1,405,000	Youngstown Sheet & Tube Co., Youngstown, Ohio.	Steel slabs and booms.	4,489,000
Southern Railway Co., Rail system.	Transportation.	10,250,000	Babcock & Wilcox Tube Co., Beaver Falls, Pa.	Alloy steel and tubes.	6,315,000
Globe Iron Co., Jackson, Ohio.	Pig iron.	451,500	Nicholson Universal Steamship, Detroit, Mich.	Transportation, lake freighters.	9,930,000
Hansen-Lynn, Burbank, Calif.	Aircraft controls.	2,200	Olin Industries, Inc., East Alton, Ill.	Ordnance supplies.	1,015,315
Goodyear Tire & Rubber Co., Akron, Ohio.	Aircraft parts.	32,978	J. H. Holan Corp., Cleveland, Ohio.	Special truck bodies for public utility companies.	643,388
St. Joe Paper Co., Fort St. Joe, Fla.	Kraft container board.	24,010,958	Detroit & Mackinac Ry. Co., rail system.	Railroad transportation.	600,000
Ideal Cement Co., Trident, Mont.	Portland cement.	9,896,554	Laclede Steel Co., Alton, Ill.	Steel ingots.	492,333
Superior, Nehr., Ada, Okla., Baton Rouge, La., Mobile, Ala.	do.	52,464	Aurora Gasoline Co. and Keystone Oil, Detroit, Mich.	Diesel and industrial fuels.	3,970,000
Marlin Rockwell Corp., Plainville, Conn.	Aircraft parts.	1,104,965	National Steel Corp. (Wierton Division), Hancock County, W. Va.	Pig iron and steel ingots.	3,319,000
Aircraft Engineering Products, Clifton, N. J.	Tools, dies, jigs.	92,894	Sunland Refining Co., Bakersfield, Calif.	Gasoline, fuel oils.	501,653
Metalcraft Manufacturing Co., Phoenix, Ariz.	Scrap steel.	117,282	Vanadium Corp. of America, town of Nigeria, N. Y.	Ferro chromium.	1,160,639
Holuh Iron & Steel, Akron, Ohio.	Iron ore concentrate.	475,138	Vanadium Corp. of America, New Haven, W. Va.	Silicon metal, ferro silicon.	6,910,000
National Lead Co., Tohaway, N. Y.	Ordnance supplies.	611,000	Cleveland Graphite Bronze Co., Cleveland, Ohio.	Aircraft parts.	561,699
Acrojet Engineering Co., Azusa, Calif.	Diesel engines.	3,694,409	Allis Chalmers Manufacturing Co., La Porte, Ind.	Cargo tractor (ordnance).	2,576,000
Nordberg Manufacturing Co., Milwaukee, Wis.	Diesel engine components.	1,076,887	A. P. Green Firebrick Co., Mexico, Mo.	Firebrick refractories.	1,550,338
Nordberg Manufacturing Co., St. Louis, Mo.	Great Lakes ore transportation.	12,000,000	Western Oil & Fuel Co., between Duluth and Superior on county highway.	Gasoline, fuel oil.	5,992,000
Columbia Transportation Co., Great Lakes.	Transportation, towing.	900,000	General Electric Co., Owensboro, Ky.	Electronic tubes.	336,306
Marine Transit Co., Illinois River.	Reclaimed ruhher.	1,600,000	Hot Point, Inc., Milwaukee, Wis.	Aircraft parts.	1,913,000
Midwest Ruhher Reclaiming Co., East St. Louis, Ill.	Gasoline and fuel oil.	12,000,000	Northrup Aviation, Inc., Hawthorne, Calif.	Aircraft.	2,046,100
Union Oil Co. of California, Wilmington, Calif.	Repairing and rebuilding tractors.	30,000	Cincinnati Milling Machine Co., Cincinnati, Ohio.	Milling machine lathes.	4,156,958
J. A. Riggs Tractor Co., West Memphis, Ark.	Wood pulp.	7,694,446	Cincinnati Milling Machine Co., Wilmington, Ohio.	Machine tools.	3,472,600
American Box Board, Fliey City, Mich.	Steel forms.	629,000	Cleveland-Cliffs Steamship Co., Cleveland, Ohio.	Transportation, lake or shipments.	6,000,000
Universal Cyclops Steel, Titusville, Pa.	Steel ingots.	2,366,000	Globe Brick Co., Newell, W. Va.	Firebrick (refractory).	1,271,766
Universal Cyclops Steel, Bridgeville, Pa.	Portland and masonry cement.	4,671,310	Consolidated Vultee Aircraft Corp., Pasadena, Calif.	Wind tunnel testing.	661,666
Carolina Giant Cement Co., Harleyville, S. C.	Railroad transportation.	1,015,000	Do.	do.	1,333,333
Seahoard Airline Railroad Co., rail system.	Fuel oil and gasoline.	1,936,000	Do.	do.	666,667
Poteco Corp., Blue Island, Ill.	Railway transportation.	72,000	Do.	do.	661,666
Georgia, Florida & Alabama R. R. Co., Georgia.	do.	319,000	Do.	do.	661,675
Seahoard Airline R. R. Co., Savannah, Ga., to Mobile, Ala.	do.	2,869,142	Jones & Laughlin Steel Corp., Cleveland, Ohio.	Pig iron.	8,955,300
Seahoard Airline R. R. Co., Atlanta, Ga., to Birmingham, Ala.	Pig iron.	1,172,000	Do.	do.	9,259,000
National Steel Corp. (Weirton Division), Weirton, W. Va.	Steel products.	650,600	Do.	do.	9,144,850
Great Lakes Steel Corp., Detroit, Mich.	Pig iron.	175,000	Jones & Laughlin Steel Corp., Cleveland, Ohio.	Steel plates, sheets, strips.	1,485,000
Hanna Furnace Corp., Buffalo, N. Y.	Coke.	2,062,700	Wright Aeronautical Corp., Caldwell, N. J.	Aircraft parts.	578,600
Great Lakes Steel Corp., Zug Island, River Rouge, Mich.	Scrap steel.	190,600	Wright Aeronautical Corp., Woodridge, N. J.	do.	5,334,440
Sharon Steel Corp., Farrell, Pa.	Aircraft hose, assemblies.	816,410	Wright Aeronautical Corp., Garfield, N. J.	do.	6,124,000
Weatherhead Co., Antwerp, Ohio.	Semichemical pulp and corrugating liner board.	197,116	Republic Steel Corp., South Chicago, Ill.	Seamless tubing.	21,500,000
Green Bay Paper & Pulp, Green Bay, Wis.	Railway transportation.	3,705,077	North American Refractories Co., Cleveland, Ohio.	Refractory brick.	737,701
Seahoard Airline Railroad Co., rail system.	Iron ore, pig iron, and rolled sheets.	15,475,527	General Mills, Inc., Minneapolis, Minn.	Services, research and development.	448,000
Kaiser Steel Corp., Fontana, Calif.	Portland cement.	3,422,000	Derby Oil Co., Wichita, Kans.	High octane gas and fuel.	2,606,041
Permanente Cement Co., Permanente, Calif.	Steel wire.	295,000	Jones & Laughlin Steel Corp., Aliquippa, Pa.	Steel beams, angles, and wire.	2,154,000
Keystone Steel & Wire Co., Peoria, Ill.	Steel bars.	1,605,000	Jones & Laughlin Steel Corp., Pittsburgh, Pa.	Thermally treated steel.	201,600
Rotary Electric Steel Co., Macomh County, Mich.	Fuel tanks.	216,694	Do.	Hot-rolled material.	709,000
Goodyear Corp., Akron, Ohio.	Steel ingots.	450,000	International Minerals & Chemicals Corp., Mulberry, Fla.	Chemicals.	6,600,000
Rotary Electric Steel Co., Warrenton Township, Macomh County, Mich.	Aircraft parts.	1,959,728	Ethyl Corp., Baton Rouge, La.	Antiknock compounds.	175,000
Air Research Manufacturing Co. of Arizona, Phoenix, Ariz.	do.	608,777	Stowe-Fuller Refractories Co., Alexandria, Pa.	Silica refractory brick.	197,000
Air Research Manufacturing Co. (division of Garrett Corp.), Los Angeles, Calif.	Seamless and merchant pipe.	80,000,000	Robinson Clay Co., Farral, Ohio.	Silica clay refractory brick.	185,400
Pueblo Steel Corp., Pueblo, Colo.	Benzene.	2,600,000	Stowe-Fuller Refractories Co., Strassburg, Ohio.	Silica refractory brick.	369,000
Atlas Processing Co., Shreveport, La.	Scrap metal.	41,000	General Electric Co., New Hartford, N. Y.	Electronic equipment.	15,693,000
Henry Fligeltauh, Evansville, Ind.	Aircraft parts.	83,887	Phillips Petroleum Co., Phillips, Tex.	Propane and butane.	4,056,575
Robr Aircraft Co., Chula Vista, Calif.	Broaching machine tools.	1,399,064	Ben Hur Refining Corp., Long Beach, Calif.	Gasoline, fuel oil.	2,230,000
Lapointe Machine Tool, Hudson, Mass.	Laminated plastic sheets.	353,000	Cleveland-Cliffe Steamship Co., Cleveland, Ohio.	Great Lakes transportation, cargo ships.	4,000,000
Lihy-Owens-Ford Glass, Ottawa, Ill.	Steel ingots.	386,000	Arco Manufacturing Corp. (Crosley Division), Richmond, Ind.	Fire-control systems.	1,909,000
Republic Steel Corp., Buffalo, N. Y.	Iron and steel scrap.	20,839	Hughes Aircraft Co., Tuscon, Ariz.	Ordnance supplies.	7,289,000
Atlantic Steel & Iron, Springfield, Mass.	Ordnance material.	1,015,315	Northwestern Refining Co., St. Paul, Minn.	Octane gasoline.	2,074,993
Olin Industries, Inc., New Britain, Conn.	Ingots and rolled steel.	3,640,000	Westinghouse Electric Corp., Pittsburgh, Pa.	Aircraft supplies.	24,500,000
Granite City Steel Co., Granite City, Ill.	Cold rolled steel.	115,000	Superior Refinery Owners, Inc., Superior, Wis.	Gasoline, oil.	1,228,800
Wallingford Steel Co., Wallingford, Conn.	Steel ingots and bars.	245,865	General Electric Co., Lockland, Ohio.	Aircraft parts.	25,695,911
Oregon Steel Mills, Portland, Oreg.	Gasoline.	1,720,000	General Electric Co., Lynn, Mass.	do.	4,037,024
M. F. A. Oil Co., Memphis, Tenn.	Pig iron, steel ingots.	2,231,000	General Electric Co., Everett, Mass.	do.	647,659
Bethlehem Steel Co., Bethlehem, Pa.	Pig iron and steel ingots.	28,386,000	Sunray Oil Corp., Stephens County, Okla.	Gasoline components.	1,750,866
Bethlehem Steel Co., Johnstown, Cabria County, Pa.	Bolts, nuts, rivets.	1,193,000	Armour & Co., Fort Worth, Tex.	Blood plasma.	850,000
Bethlehem Steel Co., Lehanon, Pa.	Steel ingots, bolts.	136,000	Tennessee Eastman Corp., Longview, Tex.	Ethyl alcohol, synthetic.	5,787,000
Bethlehem Steel Co., Seattle, Wash.	Fabricated steel.	66,000	Clayton Manufacturing Co., Rosemeade, Calif.	Steam-cleaning machines, hydraulic dynameters.	38,106
Bethlehem Steel Co., Cornwall, Pa.	do.	65,000	Lee Paper Co., Vicksburg, Mich.	Fine paper, bonds, maps, etc.	1,000,745
Bethlehem Steel Co., Lackawanna, Erie County, N. Y.	do.	1,409,000	Gem City Engineering Co., Dayton, Ohio.	Tools, dies, gages.	69,406
Do.	Pyrites and iron ore.	77,000			
Do.	Transportation.	853,000			
Do.	Transportation-dredging lake channel.	6,250,000			
Bethlehem Steel Co. Bethlehem, Pa.	Molds for steel ingots, steel products.	3,586,000			

Necessity certificates issued—Continued

JAN. 25 TO MAR. 7

Name of company and location of facilities	Product or use	Amount certified	Name of company and location of facilities	Product or use	Amount certified
Magnum Corp., Barrington, Ill.	Magnesium and aluminum castings.	\$8,851	Pittsburgh Coke & Chemical Co., Neville Island, Pa.	Pig iron.	\$9,150,000
Cincinnati Gear Co., Cincinnati, Ohio.	Gears (Diesel and hydraulic).	97,791	Weyerhaeuser Timber Co., Everett, Wash.	Paper pulp.	19,125,000
Goodyear Tire & Rubber Co., Inc., Muncie, Ind.	Tank tracks.	398,698	Weyerhaeuser Timber Co., Longview, Wash.	Pulp, container board.	12,469,377
Goodyear Tire & Rubber Co., Inc., Akron, Ohio.	Tank bogie wheels and rollers.	322,855	Timken Roller Bearing Co., Canton, Ohio.	Steel bars, seamless tubing.	3,462,000
Southern Pacific Co., Roseville, Calif.	Railroad transportation.	4,591,500	H. P. Deuser Co., Hamilton, Ohio.	Gray iron castings.	33,791
Greenback Industries, Inc., Greenback, Tenn.	Copper powder, tin powder, brass powder.	370,922	Libby-Owens Ford Glass Co., Toledo, Ohio.	Fibrous glass.	737,780
Cotton Producers Co., Oraloma, northwest Fresno City, Calif.	Cotton ginning.	175,630	Rayonier, Inc., New York, N. Y.	Cellulose.	3,413,800
Producers Cotton Oil Co., Westbaven, southwest Fresno City, Calif.	do.	175,630	Do.	do.	873,610
Cotton Oil Co., southwest Fresno City, Calif.	do.	175,630	Do.	do.	1,412,418
Cotton Oil Co., Kermay, Calif.	do.	175,630	Firth Sterling Steel & Carbide Co., McKeesport, Pa.	Metal cutting tools.	1,597,980
Ferrocute Machine Co., Bridgeton, N. J.	Power presses.	183,275	Pan-American Southern Corp., New Orleans, La.	Gasoline.	219,956
Patterson Foundry & Machine Co., East Liverpool, Ohio.	Equipment for rolling mills.	73,767	Hartford Electrical Steel Corp., Hartford, Conn.	Steel sheet.	5,500,000
Nelson Stud Welding, Lorain, Ohio (division of Morton Gregory Corp.).	Welding equipment.	181,660	New Britain Machine Co., New Britain, Conn.	Bolts and nuts.	3,243,000
Wendit-Sonis Co., Hannibal, Mo.	Tools and machinery.	14,436	American Brake Shoe Co., Detroit, Mich.	Brake lining.	737,159
Accurate Products Co., Hillside, N. J.	Experimental tools.	102,713	Cincinnati Gear Co., Cincinnati, Ohio.	Brake gears.	13,593
Standard Steel Spring Co., Gary, Ind.	Springs for vehicles.	101,800	Timken-Detroit Axle Co., south central Ohio.	Axle transfer cases and parts.	276,643
Kingston Products Co., Kokomo, Ind.	Tank truck pins.	49,143	Standard Oil Co. of California, El Segundo, Calif.	Benzene and gasoline.	15,650,000
Wendelight Corp., Albertson, Long Island.	Optical precision instruments.	115,435	White Fuel Corp., Boston, Mass.	Storage of petroleum products.	14,000,000
Crabalt, Inc., Ann Arbor, Mich.	Cutting tools.	41,200	Screw Products of America, Los Angeles, Calif.	Self-locking nuts.	600,000
Rheem Manufacturing Co., Sparrows Point, Md.	Metal shipping containers.	534,783	International Business Machines Corp., Poughkeepsie, N. Y.	Ordnance supplies.	1,575,709
Skarda, Inc., El Monte, Calif.	Ordnance supplies.	172,411	Burgess-Norton Manufacturing Co., Geneva, Ill.	Tank truck bodies.	17,910,000
Continental Foundry & Machine Co., East Chicago, Ind.	Tank turrets.	192,711	Cupples Products Corp., Maplewood, Mo.	Alloy aluminum extrusions.	157,600
Continental Foundry & Machine Co., Wheeling, W. Va.	Coat armor.	60,776	Rockford Aeromatic Products Co., Rockford, Ill.	Universal joint bearings.	881,798
B. F. Goodrich Co., Akron, Ohio.	Testing tires.	73,448	Eaton Manufacturing Co., Cleveland, Ohio.	Compressor blades for aircraft.	33,000
Therm Electric Meters Co., Inc., Itabaca, N. Y.	Forge dies and trim dies.	196,314	National Steel Corp. (Weirton division), Weirton, W. Va.	Pig iron.	850,000
Avalon Manufacturing Co., Garfield, N. J.	Sockets, terminals, rivets, and studs.	20,826	Sealor Corp., Providence, R. I.	Air seals.	15,450,000
Westberg Tool & Manufacturing Co., Bridgeport, Conn.	Tools and dies.	6,426	Fairchild Camera & Instrument Co., Long Island, N. Y.	Oil photographic equipment.	55,000
Union Pacific Railroad Co., rail system.	Railroad transportation.	5,807,500	Lodish Corp., Cudahy, Wis.	Aerial photographic equipment.	4,395,292
General Motors Co., Wayne, Mich.	Diesel engines.	1,317,893	Shenango Furnace Co., Pittsburgh, Pa.	Steel forgings.	3,757,452
Master Tool & Die Co., Inc., Detroit, Mich.	Tank parts.	10,202	Do.	Water transportation for iron ore.	1,158,000
Bryant Checking & Grinding Co., Springfield, Vt.	Rifles and spare parts, and grinding machines.	37,876	Do.	do.	798,671
Cincinnati Milling Machine Co., Cincinnati, Ohio.	Abrasive, grinding wheels.	374,040	Chisholm Boyd & White Co., Chicago, Ill.	do.	1,050,500
Milwaukee Solvay Coke Co., Milwaukee, Wis.	Coke, benzol, and xylol.	1,200,000	Aircraft Tapered Sheets, Inc., Los Angeles, Calif.	Mechanical press.	28,040
Stewart-Warner Corp., Chicago, Ill.	Ordnance supplies.	503,461	International Paper Co., Natchez, Miss.	Wings and fuselage fittings.	499,204
			Do.	Bleached dissolving pulp.	22,034,300
			Pratt & Litchworth Co., Inc., Buffalo, N. Y.	Bleached pulp.	20,937,653
			Argus Camera, Inc., Ann Arbor, Mich.	Core assemblies.	210,908
				Lenses, prisms, etc.	450,000

In addition to the above listing, 3 applications from the Kaiser Aluminum & Chemical Corp. have been certified for indefinite amounts pending the submission of supplemental information by Kaiser. Total amount of the 3 original applications was \$80,500,000.

MAR. 7 TO APR. 6

Name of company and location of facilities	Product or service	Amount applied for	Amount eligible	Percentage certified
Continental Machines, Inc., Savage, Minn.	Sewing machines, metal cut-off machines, gage blocks, special gages.	\$262,250	\$262,250	85
Onsrud Machine Works, Inc., Chicago, Ill.	Metalworking machinery (aircraft).	26,629	26,629	90
Three M Tool & Die Co., York, Pa.	Machine tools, dies.	15,000	15,000	75
Swan Engineering & Machine Co., Bettendorf, Iowa.	Tools, dies, jigs, and fixtures.	26,194	26,194	80
Jefferson Engineering & Manufacturing Co., Detroit, Mich.	Tank track components.	118,782	118,782	85
Mathieson Hydro-carbon Chemical Corp., Doe Run, Ky.	Isobutane.	19,000,000	18,960,000	75
Red Arrow Steamship Co., home port, Sheboygan, Wis.	Transportation (Great Lakes).	325,000	325,000	80
The Hobart Bros. Co., Troy, Ohio.	Electric arc welders, power plant.	13,787	13,787	75
Dresel-Betz Co., Belleville, Ill.	Dies, jigs, and fixtures.	44,461	44,461	90
Harvey Machine Co., Kalispell, Mont., and in Northwest.	Aluminum pig, bauxite.	95,000,000	94,700,000	85
Reynolds Metals Co., Corpus Christi, Tex.	Aluminum.	79,665,278	78,365,278	80
Aluminum Co. of America, Massena, N. Y.	Housing for employees.	2,000,000		
Calhoun Development Co., near Port Lavaca, Tex.	Housing facilities.	2,173,776		
ALCOA, unknown.	Primary aluminum.	60,000,000	64,775,226	80
Calhoun Development Co., Port Comfort, Tex.	Housing facilities.	1,200,000		
Chicago & Eastern Illinois R. Co., home office, Chicago, Ill.	Transportation, rail.	363,761	363,761	80
Seaboard Air Line R. Co., railroad line between Moncure, N. C., and Aberdeen, N. C.	do.	851,000	851,000	65
The Jackson Iron & Steel Co., Jackson, Ohio.	Silvery pig iron.	2,438,550	2,438,550	85
The Timken-Detroit Axle Co., Detroit, Mich.	Axles for military vehicles.	732,302	732,302	90
The Timken-Detroit Axle Co., Oskosh, Wis.	do.	429,014	429,014	80
The Timken-Detroit Axle Co., Ashtabula, Ohio.	do.	4,878	4,878	75
The Timken-Detroit Axle Co., Kenton, Ohio.	do.	49,760	49,760	85
The Timken-Detroit Axle Co., New Castle, Pa.	do.	309,970	309,970	80
Allegheny Ludlum Steel Corp., Watervliet, N. Y.	Steel ingots.	3,242,000	3,242,000	75
The Cleveland Pneumatic Tool Co., Cleveland, Ohio.	Airplane landing gear.	702,231	688,231	80
Do.	do.	375,000	350,000	75
Sylvania Electric Products, Inc., Burlington, Iowa.	Subminiature electron tubes.	4,277,322	4,252,322	75
Solar Aircraft Co., Des Moines, Iowa.	Aircraft engine parts.	1,750,000	1,679,000	75
Solar Aircraft Co., San Diego, Calif.	Manifold banks for aircraft engine.	23,486	23,486	85
Do.	Hood for aircraft engine.	1,250	1,250	75
Do.	Parts for jet engines.	109,347	109,347	85
Do.	Aircraft engine parts.	158,549	158,549	75
Solar Aircraft Co., Des Moines, Iowa.	do.	15,284	15,284	85
Sylvania Electric Products, Inc., Towanda, Pa.	Tungsten and molybdenum (wire, powder, sheet).	2,899,335	2,899,335	80
Sylvania Electric Products, Inc., Warren, Pa.	Electron tubes.	790,695	790,695	80
Solar Aircraft Co., San Diego, Calif.	Aircraft engine components.	152,653	152,653	80

Necessity certificates issued—Continued

MAR. 7 TO APR. 6

Name of company and location of facilities	Product or service	Amount applied for	Amount eligible	Percentage certified
Virginia Smelting Co., West Norfolk, Va.	Zinc powder, chlorine gas	\$1,265,485	\$1,265,485	75
Atlantic Coast Line Railroad Co., Wilmington, N. C.	Rail transportation	2,330,000	2,330,000	50
The Sherwin-Williams Co., Chicago, Ill.	Refined naphthalene	274,000	274,000	55
St. Joseph Lead Co. of Pennsylvania, Jophtown, Pa.	Slab zinc	1,468,070	1,468,070	75
Randolph Metals Co., Canton, Mass.	do	49,753	49,185	75
Manasco Manufacturing Co., Burbauk, Calif.	Hydraulic landing gears	771,634	663,634	80
Tho Sherwin-Williams Co., Chicago, Ill.	Refined para cresol	279,150	279,150	55
Monsanto Chemical Co., Monsanto, Ill.	Chlorine and caustic soda	1,450,000	1,450,000	50
Wyandotte Chemicals Corp., Wyandotte, Mich.	do	760,000	760,000	50
Stauffer Chemical Co., Niagara Falls, N. Y.	Chlorine and caustic soda, carbon tetrachloride	5,155,000	5,155,000	50
Pennsylvania Salt Manufacturing Co., Wyandotte, Mich.	Chlorine, caustic soda	1,380,753	1,380,753	50
Diamond Alkali Co., Deer Park, Pasadena, Tex.	do	5,900,000	5,900,000	50
Pennsylvania Salt Manufacturing Co., Calvert City, Ky.	do	6,500,000	6,500,000	50
Pittsburgh Plate Glass Co., Natrium, W. Va.	do	10,200,000	10,200,000	50
Southern Alkali Corp., Lake Charles, La.	do	10,080,000	10,080,000	50
Southern Alkali Corp., Corpus Christi, Tex.	do	8,665,000	8,665,000	50
Michigan Chemical Corp., St. Louis, Mich.	do	9,960,000	9,945,238	50
Pennsylvania Salt Manufacturing Co. of Washington, Tacoma, Wash.	do	445,000	445,000	50
Pennsylvania Salt Manufacturing Co. of Washington, Portland, Oreg.	do	1,497,598	1,497,598	50
Mathieson Alabama Chemical Corp., McIntosh, Ala.	do	8,124,900	8,124,900	50
National Distillers Chemical Corp., Ashtabula, Ohio	Chlorine, sodium	960,000	960,000	50
Do	do	9,600,000	9,600,000	50
Mathieson Hydrocarbon Chemical Corp., Saltsville, Va.	Liquid chlorine	9,149,950	5,149,950	50
The Dow Chemical Co., Freeport, Tex.	Chlorine, caustic soda	24,619,000	24,619,000	50
Allied Chemical & Dye Corp., Hopewell, Va.	Chlorine	2,150,000	2,150,000	50
Diamond Alkali Co., Painesville, Ohio	do	2,182,910	2,182,910	50
Hooker Electro-Chemical Co., Niagara Falls, N. Y.	do	688,000	448,000	50
Diamond Alkali Co., Deer Park, Pasadena, Tex.	Chlorine, caustic soda	2,264,220	2,264,220	50
Do	do	3,396,330	3,396,330	50
The Solvay Process Division, Allied Chemical & Dye Corp., unknown	Chlorine	29,230,000	29,000,000	50
North Carolina Pulp Co., Plymouth, N. C.	Chlorine, caustic soda	1,500,000	1,389,500	50
Southern Ferro Alloys Co., Chattanooga, Tenn.	do	3,250,000	3,250,000	50
The Dow Chemical Co., Pittsburg, Calif.	do	606,400	606,400	50
Do	do	2,333,360	2,333,360	50
Innis, Speiden & Co., Niagara Falls, N. Y.	do	830,000	830,000	50
The Dow Chemical Co., Freeport, Tex.	Perchloroethylene, chlorine	3,141,000	3,141,000	50
Brown Co., Berlin, N. H.	Chlorine, caustic soda	221,500	221,500	50
Niagara Alkali Co., Niagara Falls, N. Y.	Chlorine	1,045,088	1,045,088	50
Frontier Chemical Co. of Kansas Inc., Sedgwick County, Kans.	Chlorine, hydrochloric acid	1,467,800	1,432,800	50
The Dow Chemical Co., Midland, Mich.	Chlorine, caustic soda	2,600,000	2,600,000	50
Ahlberg Bearing Co., Chicago, Ill.	Ball bearings	550,000	550,000	85
Mountain States Bean Co., Denver, Colo.	Food storage	766,500	766,500	40
Seahoard Air Lines R. R. Co., railroad line near Eulonia, S. C., and Andrews, S. C.	Rail transportation	267,500	267,500	65
The Torrington Co., Inc., of Indiana, South Bend, Ind.	Antifricition bearings	312,549	312,549	85
Sheridan Towing Co., Inc., New York and Philadelphia	Tugboat transportation	550,000	550,000	70
Tyson Bearing Corp., Massillon, Ohio	Roller bearings	71,515	71,515	90
W. J. Bullock, Inc., Birmingham, Ala.	Secondary aluminum, zinc, brass	765,000	765,000	75
B. & M. Towing Co., Gulf coast to Pittsburgh	Oil transportation, barges, tugboats	569,882	319,882	80
George Sall Metals Co., Inc., undecided	do	250,000	250,000	70
McAllister Bros., Inc., New York Harbor	Nonferrous metals	665,000	615,000	75
Ohio Steel Foundry Co., Lima, Ohio	Towboat transportation	140,375	140,375	70
American Barge Lines Co., Mississippi River (home office, Jeffersonville, Ind.)	Steel rolling-mill rolls	1,001,622	1,001,622	80
New York, Chicago & St. Louis Ry. Co., Cleveland, Ohio	Water transportation	1,513,009	970,805	80
Lebanon Steel Foundry, Lebanon, Pa.	Rail transportation	2,452,007	2,452,007	80
Atlantic Coast Line R. R. Co., Wilmington, N. C.	Armor castings for tanks	891,591	891,591	75
Tyson Bearing Corp., Massillon, Ohio	Rail transportation	21,393,323	21,393,323	65
Chemstrand Corp., Decatur, Ala.	Roller bearings	1,145,000	1,145,000	90
Chemstrand Corp., to be selected	Staple synthetic fiber	25,531,500	25,531,500	50
Monsanto Chemical Co., Texas City, Tex.	Nylon filament	88,500,000	88,500,000	50
National Distillers Chemical Corp., Ashtabula, Ohio	Acrylonitrile, hydrogen cyanide	25,633,000	25,633,000	50
Wyandotte Chemical Corp., Wyandotte, Mich.	Chlorine, liquid sodium	9,650,490	9,650,490	50
W. A. Handley Manufacturing Co., Roanoke, Ala.	Chlorine, caustic soda	22,572,000	21,761,850	50
Spartan Mills, Spartansburg, S. C.	Heavy cotton fabrics	300,364	300,364	60
Romac Mills, Inc., Memphis, Tenn.	Army duck	334,638	334,638	70
Spartan Mills, Spartansburg, S. C.	Cotton duck	598,320	598,320	60
Brookside Mills, Inc., Knoxville, Tenn.	Army duck	379,654	379,654	70
Mexia Textile Mills, Inc., Mexia, Tex.	Cotton duck	4,556,400	4,556,400	60
Pacolet Manufacturing Co., New Holland, Ga.	Duck cloth	203,103	203,103	60
Limestone Manufacturing Co., Caffney, S. C.	do	1,870,725	1,870,725	60
Continental Sulbur & Phosphate Corp., Cody, Wyo.	Shelter duck	1,059,235	1,059,235	60
United Drill & Tool Corp. (Whitman & Barnes division), Plymouth, Mich.	Sulfur	1,850,000	1,850,000	85
Champion Forge Co., Cleveland, Ohio	Cutting tools, drills	133,617	133,617	90
Seaboard Air Line R. R. Co., Savannah, Ga.	Steel drop forgings	470,296	470,296	80
Stratos division, Fairchild Engine & Airplane Corp., Farmingdale, Long Island, N. Y.	Rail transportation	3,184,000	3,014,000	65
Fairchild Engine & Airplane Corp., Farmingdale, Long Island, N. Y.	Ground air conditioner	36,309	36,309	85
Do	do	11,202	11,202	85
Ford Motor Co., Cincinnati, Ohio	Ordinance	5,979	5,979	75
General Motors Corp., Saginaw, Mich.	Aircraft engines	2,925,577	2,925,577	75
General Motors Corp., Flint, Mich.	Oil pump assemblies	235,760	236,760	90
Manasco Manufacturing Co., Burbauk, Calif.	Ball-bearing adjusters	40,275	40,275	75
General Motors Corp., Grand Rapids, Mich.	Spark plugs	350,000	350,000	75
General Motors Corp., Harrison, N. J.	Landing gears	1,598,600	1,598,600	75
Good-All Electric Manufacturing Co., Ogallala, Nebr.	Aircraft engine parts	276,672	276,672	90
Mechanics Universal Joint Division of Borg-Warner Corp., Rockford, Ill.	Roller bearings	200,000	200,000	75
Kaiser Aluminum & Chemical Corp., Mead, Wash.	Metal-clad condensers	150,000	150,000	75
Do	Joint assemblies for aircraft	5,870,500	5,870,500	80
Titeflex, Inc., Newark, N. J.	Aluminum pig	364,006	364,006	80
General Motors Corp., Vandalia, Ohio	do	289,065	289,065	80
Goodyear Aircraft Corp., Akron, Ohio	Radio and ignition components	180,655	180,655	90
Reynolds Metals Co., Jones Mills, Ark.	Propeller assembly	200,929	200,929	80
Reynolds Aluminum Co., Troutdale, Oreg.	Aircraft parts	4,300,000	4,300,000	80
Jones & Laughlin Steel Corp., Aliquippa, Pa.	Aluminum pig	475,450	475,450	80
Do	Pipe and tubing	1,533,250	1,377,000	60
Marine Fuel Transfer Corp., New York Harbor	Recovery of iron	789,600	742,050	85
Peerless Wooten Mills, Rossville, Ga.	Barge fuel oil transportation	225,000	225,000	80
John L. Hutcheson, Jr., Cleveland, Tenn.	Melton, kersey, flannel	1,963,000	578,000	60
Red Star Towing & Transportation Co., New York Harbor	Woolen cloth	2,250,000	2,250,000	60
Do	Barge transportation	75,000	75,000	80
Do	do	225,000	225,000	80
Do	Diesel tug	350,000	350,000	70

* Less amount to be determined subsequently for mercury.

Necessity certificates issued—Continued

MAR. 7 TO APR. 6

Name of company and location of facilities	Product or service	Amount applied for	Amount eligible	Percentage certified
New York, Chicago & St. Louis R. R. Co., Cleveland, Ohio.....	Rail transportation.....	\$4,889,548	\$4,889,548	65
Boeing Airplane Co., Seattle, Wash.....	Aircraft and accessories.....	4,941,916	4,941,916	85
Johns-Manville Corp., Bridgewater Township, Somerset County, N. J.....	Research and development of mineral fibers.....	3,817,000	3,817,000	75
Tbe Cornhus Co., New Brighton, Minn.....	Aircraft air compressors.....	49,873	49,873	90
St. Regis Kraft Corp., Eastport, Fla.....	Wood pulp.....	17,638,000	17,638,000	60
Bergen Wire Rope Co., Lodi, N. J.....	Field wire conductors.....	60,000	60,000	75
Lycoming-Spencer Division of AVCO Manufacturing Corp., Williamsport, Pa.....	Tbottle body assemblies.....	20,675	20,675	90
Allegheny Ludlum Steel Corp., Watervliet, N. Y.....	Stainless steel.....	3,200,000	3,200,000	70
Sun Oil Co., Marcus Hook, Pa.....	Benzene, toluene.....	8,380,000	8,380,000	85
Lockheed Aircraft Corp., Burbank and Van Nuys, Calif.....	Airplanes.....	3,666,693	3,371,238	85
Bell Aircraft Corp., Wheatfield, Niagara County, N. Y.....	Research, development engineering.....	250,000	250,000	75
Cities Service Oil Co., Ponca City, Okla.....	Gasoline, fuel oil.....	6,500,000	6,500,000	75
Heli Coil Corp., Danbury, Conn.....	Bushings, screw members, tools.....	244,429	244,429	80
Jack & Heintz Precision Industries, Inc., Maple Heights, Ohio.....	Aircraft rotating electrical equipment.....	410,900	411,500	90
Fairchild Engine & Airplane Corp., Farmingdale, Long Island, N. Y.....	Aircraft engine parts.....	12,357	2,414	75
Fairchild Aircraft Division, Fairchild Engine & Airplane Corp., Hagerstown, Md.....	Airplanes.....	83,118	71,456	80
Jones & Laughlin Steel Corp., Aliquippa, Pa.....	Transportation, barge loading.....	495,000	495,000	60
Do.....	Slag handling.....	93,000	93,000	85
Jones & Laughlin Steel Corp., Pittsburgh, Pa.....	Steel plates, sheets, strip.....	9,392,743	3,777,987	60
General Motors Corp., Vandalia, Ohio.....	Actuators.....	277,781	277,781	90
Consolidated Vultee Aircraft Corp., San Diego, Calif.....	Aircraft.....	144,851	144,851	75
Wyman-Gordon Co., Harvey, Ill.....	Engine cranksbafts.....	4,848,200	4,848,200	80
Rockwood Oil Terminals, Inc., Cincinnati, Ohio.....	Transportation, oil barge.....	100,817	100,817	80
Bouchard Transportation Co., Inc., New York, N. Y.....	Oil barge.....	242,500	242,500	80
Worthington Pump & Machinery Corp., Piscataway Township, N. J.....	Welding equipment.....	211,470	211,470	90
National Steel Corp. (division of Weirton Steel Co.), Weirton, W. Va.....	Pig iron, steel ingots, etc.....	422,895	422,895	85
Phillips Oil Co., Borger, Tex.....	Aviation alkylate, gasoline, and Diesel fuel.....	15,573,700	15,573,700	75
Ashland Oil & Refining Co., St. Elmo and Wood River, Ill.....	Gasoline, kerosene.....	725,000	665,000	75
B. No. 90 Corp., care of Bouchard Transportation Co., Inc., New York, N. Y.....	Oil barge.....	242,500	242,500	80
Western States Refining Co., North Salt Lake, Utah.....	Gasoline.....	1,413,250	1,092,700	75
Sinclair Refining Co., Houston, Tex.....	Normal butylenes.....	27,000,000	27,000,000	75
Delbi gasoline plant, Sun Oil Co., Delhi, La.....	Isobutane.....	238,497	238,497	85
Frontier Natural Gasoline Co., Loco Hills, N. Mex.....	Natural gasoline.....	703,986	703,986	75
Standard Oil Co. of Indiana, Sugar Creek, Mo.....	Gasoline, kerosene.....	21,170,000	21,170,000	75
Premier Petroleum Co., Fort Worth, Tex.....	Gasoline.....	650,000	650,000	75
B. No. 70 Corp., care of Bouchard Transportation Co., Inc., New York, N. Y.....	Oil barge.....	242,500	242,500	80
Polan Industries, Hunting, W. Va.....	Glass hulls, tubing, and flares for tubes.....	2,263,000	2,245,000	75
Continental Oil Co., Lake Charles, La.....	Gasoline, components, byproducts.....	23,820,150	23,820,150	80
River Co., Inc., New Orleans, La. (home port).....	Water transportation, towboat and barge.....	850,000	510,000	80
Columbine Development Co., Columbine, Colo.....	Bleached sulfate pulp.....	16,552,000	15,846,000	65
Larson & Quigley Co., Chicago, Ill.....	Aircraft engine parts.....	37,348	37,348	90
Thompson Industries, Inc., Mineola, N. Y.....	Ball bearings.....	14,129	14,129	90
Union Tank Car Co., Chicago, Ill.....	Rail transportation.....	3,279,000	3,279,000	80
Do.....	Primary aluminum.....	3,185,000	3,185,000	80
Aluminum Co. of America (Alcoa reduction works), Alcoa, Tenn.....	Ethylene.....	912,900	912,900	80
Gulf Oil Corp., Port Arthur, Tex.....	Ordinance.....	15,427,000	15,427,000	80
United Aircraft Corp., East Hartford, Conn.....	Components for aviation gasoline.....	329,855	329,855	80
Standard Oil Co. of Indiana, Whiting, Ind.....	High-octane gasoline.....	938,500	938,500	100
Kanotex Refining Co., Arkansas City, Kans.....	Steel.....	2,347,423	2,347,423	75
Jones & Laughlin Steel Corp., Pittsburgh, Pa.....	Steel ingots.....	379,600	379,600	75
Do.....	Steel.....	104,600	101,900	75
Genesee Transporting Co., Nashville, Tenn.....	Water transportation.....	800,000	300,000	80
Petco Corp., Milwaukee, home office.....	Transportation, towboat.....	350,000	350,000	70
Bloom Engineering Co., Inc., Pittsburgh.....	Equipment for industrial furnaces, pipe insulation material.....	165,080	157,080	80
The Haloid Co., Rochester, N. Y.....	Photographic papers.....	296,500	296,500	75
The B G Corp., Ridgefield, N. J.....	Spark plugs.....	1,400,000	1,400,000	75
Engineering Reproduction, Inc., Detroit.....	Reproduction of drafts for engineering.....	95,000	75,000	75
Talley Machine & Manufacturing Corp., Los Angeles, Calif.....	Machine work (aircraft parts).....	27,434	27,434	90
Cargo Carriers, Inc., Wilmington, Del., home port.....	Transportation, tub and barge.....	700,000	325,000	80
The Heim Co., Fairfield, Conn.....	Special bearings.....	20,878	20,878	70
H. Levine Cooperage, Vernon, Calif.....	Reconditioning of steel drums.....	267,659	267,659	50
Research Welding & Engineering Co., South Gate, Calif.....	Tank assemblies and aircraft.....	16,500	16,500	90
Seaboard Air Line R. R. Co., West Jacksonville, Fla.....	Railroad transportation.....	247,000	247,060	65
Samuel Greenfield Co., scrapiron depot, Buffalo, N. Y.....	Processing steel scrap.....	136,621	126,621	75
Union Tank Car Co., Chicago.....	Railroad transportation.....	2,275,000	2,275,000	80
The J. E. Baker Co., West Manchester Township, York County, Pa.....	Dead burned dolomite.....	2,088,895	2,088,895	85
Ethyl Corp., Houston, Tex.....	Antiknock compounds.....	45,000,000	44,135,000	85
Ethyl Corp., Baton Rouge, La.....	do.....	4,041,000	4,041,000	75
Ethyl-Dow Chemical Co., Freeport, Tex.....	Ethylene dibromide.....	8,185,000	8,185,000	100
National Grinding Wheel Co., Inc., Tonawanda, N. Y.....	Abrasive products.....	295,117	295,117	75
Patapsco & Black Rivers R. R. Co., Baltimore, Md.....	Transportation.....	523,000	163,000	75
Philadelphia, Bethlehem & New England R. R. Co., Bethlehem, Pa.....	Railroad transportation.....	200,000	200,000	65
Union Tank Car Co., Chicago, Ill.....	do.....	4,550,000	4,550,000	80
General Motors Corp., Cleveland.....	Diesel engine.....	1,744,282	1,744,282	75
Siskin Steel & Supply Co., Inc., Chattanooga, Tenn.....	Steel scrap.....	59,792	39,792	75
Worthington Pump & Machinery Corp., Harrison, N. J.....	Pumps.....	285,906	285,906	85
Slabe Machine Products Co., Cleveland.....	Aircraft engine parts.....	23,885	23,885	90
American Non-Gran Bronze Co., Berwyn, Pa.....	Aircraft engine valve guides.....	60,413	60,413	85
Atlas Steel & Supply Co., Cleveland.....	Baled scrap iron.....	102,040	102,040	75
The Lederer Iron & Steel Co., Cleveland.....	Scrap iron.....	98,253	98,253	75
Alaska Junk Co., Seattle.....	do.....	70,000	30,000	75
Apex Steel & Supply Co., Chicago.....	Iron and steel scrap.....	142,700	142,700	75
Greer Hydraulics, Inc., Brooklyn, N. Y.....	Testing equipment.....	335,000	325,000	75
Dover Stamping Co., Fall River, Mass.....	Steel drums.....	3,917	3,917	75
Dow Corning Corp., Midland, Mich.....	Silicone, rubber.....	1,460,000	1,460,000	75
Lufkin Foundry & Machinery Co., Lufkin, Tex.....	Oil pumping units.....	100,000	100,000	75
Texas Vitrifed Pipe Co., Mineral Wells, Tex.....	Vitrified clay sewer pipe.....	250,000	250,000	75
Litton Industries, San Carlos, Calif.....	Magnetron tubes.....	200,227	248,277	85
Steel City Iron & Metal Co., Inc., Youngstown, Ohio.....	Steel scrap.....	14,616	14,616	75
Seaboard Refractories, Raritan Township, N. J.....	Mullite, silicon, carbide, and clay refractories.....	174,700	174,700	85
Fitzgibbon Boiler Co., Inc., Oswego, N. Y.....	Hulls for tanks.....	1,750,000	1,750,000	75
Murray Refractories Co., Murray, Utah.....	Silica refractories.....	86,890	86,890	85
Landoway Steel & Iron, Morton, Pa.....	Ordinance supplies.....	6,500	6,500	75
Minneapolis-Honeywell Regulator Co., Philadelphia.....	Instruments for measuring, recording.....	750,000	731,000	75
Bol. Ltd., New York, N. Y.....	Research and development.....	11,201	11,201	85
Powers Regulator Co., Skokie, Ill.....	Process control apparatus, valves.....	2,378,390	1,588,390	75
The M. Cohen & Son Co., Cleveland.....	Iron and steel scrap.....	53,591	53,591	75
Jackson Iron & Metal Co., Inc., Jackson, Mich.....	Processing scrap metal.....	20,668	20,668	75
Mayer Pollock, Pottstown, Pa.....	Steel scrap.....	75,000	75,000	75
Hoyne Iron & Steel Co., Chicago, Ill.....	Copper scrap.....	150,111	146,000	75

Necessity certificates issued—Continued

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Name of company and location of facilities	Product or service	Amount applied for	Amount eligible	Percentage certified
Euclid Road Machinery Co., Euclid, Ohio.....	Scrapers, loaders.....	\$2,017,762	\$2,017,762	50
Great Lakes Steamship Co., Inc., Superior, Wis.....	Water transportation.....	216,500	216,500	80
Goodyear Aircraft Corp., Akron, Ohio.....	Airplane wheels.....	269,690	269,690	85
California Bag & Metal Co., Portland, Oreg.....	Sheet-metal scrap.....	69,000	69,000	75
Abe & Albert A. Kaufman Iron & Metal Co., Cleveland, Ohio.....	Scrap iron.....	26,568	26,568	75
Ace Iron & Metal Co., Detroit.....	Scrap iron and steel.....	119,366	119,366	75
Hartford Machine Screw Co., Windsor, Conn.....	Aircraft engine parts.....	428,402	426,213	85
Laclede-Christy Co. of Colorado, Canon City, Colo.....	Clay firebrick and tile.....	347,000	347,000	85
Patapsco & Back Rivers R. R., Sparrows Point, Md.....	Railroad transportation.....	300,000	300,000	75
South Buffalo R. R. Co., Lackawanna, N. Y.....	do.....	995,000	600,000	75
Crouse-Hinds Co., Syracuse, N. Y.....	Conduit fittings.....	5,098,985	5,098,985	75
Sun Oil Co., Marcus Hook, Pa.....	Aviation gasoline.....	2,577,145	2,577,145	100
Taylor Refining Co., Corpus Christi, Tex.....	Butanes, gasoline and oil.....	5,057,493	5,057,493	75
The Kellogg Corp., Summit, N. J.....	Research, development, and construction services.....	285,000	260,000	75
A. P. Ward & Son, Inc., Pensacola, Fla., home port.....	Water transportation.....	140,000	140,000	70
Hardinge Bros., Inc., Elmira, N. Y.....	Lathes.....	128,957	128,957	85
Aluminum Co. of America, Port Lavaca, Tex.....	Primary aluminum.....	43,564,618	5,269,375	80
Clearfield Clay Products Co., Clearfield, Pa.....	Ladle brick.....	1,338,765	1,333,765	85
General Refractories Co., Rockdale, Ill.....	Silica refractory brick.....	189,820	189,820	85
General Refractories Co., Los Angeles, Calif.....	do.....	462,000	462,000	85
General Refractories Co., Portsmouth, Ohio.....	do.....	63,000	63,000	85
General Refractories Co., Bucks County, Pa.....	Silica refractory brick.....	3,782,550	3,782,550	85
General Refractories Co., Joliet, Ill.....	do.....	541,920	541,920	85
C. A. Dunham Co., Marshalltown, Iowa.....	Steam traps and valves.....	109,418	109,418	75
Standard Oil Co. of Indiana, Neodesha, Kans.....	Gasoline.....	10,029,000	10,029,000	80
Standard Oil Co. of Indiana, Whiting, Ind.....	Aviation gasoline.....	2,327,500	2,327,500	100
Mechanics Universal Joint Division, Memphis, Tenn.....	Joint assemblies for combat vehicles.....	270,000	270,000	75
The Climax Fire Brick Co., Climax, Pa.....	Refractories.....	363,200	363,200	85
Laclede-Christy Co., Bessemer, Ala.....	Clay firebrick.....	140,500	140,500	85
Red Bank Division, Red Bank, N. J.....	Dynamotors.....	142,377	142,377	85
Friez Instrument Division, Towson, Md.....	Measuring instruments.....	93,861	93,861	85
Bendix Radio Division of Bendix Radio Corp., Towson, Md.....	Aircraft communications and radar equipment.....	1,026,882	1,008,474	75
Laclede-Christy Co., Warm Springs, Calif.....	Clay firebrick.....	125,000	125,000	85
Laclede-Christy Co., Clearfield City, Pa.....	do.....	200,000	200,000	85
Laclede-Christy Co., Ottawa, Ill.....	Firebrick.....	220,000	220,000	85
Dana Corp., Marion, Ind.....	Transmission devices.....	5,825,822	5,750,000	75
Fairfield Manufacturing Co., Lafayette, Ind.....	Worm gears.....	2,930,889	2,917,389	75
Carroll B. Fulton & William H. Olmstead, San Antonio, Tex.....	Aviation gasoline.....	12,000,000	11,925,000	80
Burgess Battery Co., Galena, Ill.....	Dry batteries for Signal Corps.....	42,000	40,000	75
Clover Box & Manufacturing Co., Inc., New York, N. Y.....	Nose assembly for airborne searchlight.....	3,466	3,466	80
Chicago Aerial Survey Co., Chicago, Ill.....	Aircraft photographic equipment.....	11,231	11,231	85
W. R. Cranes Co., Verona, Wis.....	Metal fabrication and construction.....	35,000	35,000	75
Tennessee Eastman Corp., Kingsport, Tenn.....	Hydroquinone.....	755,000	755,000	60
The Carborundum Co., Calvert City, Ky.....	Aluminum oxide.....	3,273,000	3,233,000	50
Kansas City Southern Ry. Co., Kansas City, Mo.....	Railroad transportation.....	3,375,000	3,375,000	65
American Electric Motors, Inc., Los Angeles, Calif.....	Gyroscope motors, aircraft.....	22,635	4,246	85
Shipowners & Merchants Towboat Co., Ltd., San Francisco	Transportation, towboat.....	250,000	250,000	70
Do.....	do.....	250,000	250,000	70
The Kari Douglas Co., Inglewood, Calif.....	Fabrication of aircraft landing gear.....	20,588	20,588	90
American District Steam Co., Inc., North Tonawanda, N. Y.....	Foundry building and equipment.....	473,162	473,162	80
Steelton & Highspire R. R. Co., Steelton, Pa.....	Railroad transportation.....	275,000	200,000	75
Gerotor May Corp., Baltimore, Md.....	Hydraulic valves.....	203,680	203,680	85
United States Rubber Co., Passaic, N. J.....	Hose.....	86,742	86,742	75
Do.....	Side panels, dispense package.....	13,693	13,693	75
Monroe Scrap Metal, Inc., Shreveport, La.....	Scrap iron.....	125,000	125,000	75
Brown & Root, Inc., Houston, Tex.....	Rebuilding tanks.....	329,933	329,933	75
Strom Steel Ball Co., Cicero, Ill.....	Steel balls.....	915,000	790,000	80
Gerotor May Corp., Baltimore, Md.....	Valves, pumps.....	42,895	42,895	75
Granite City Steel Co., Granite City, Ill.....	Pig iron, steel ingots.....	71,250,000	63,033,900	80
William L. Gilbert Clock Corp., Winsted, Conn.....	Timing units, fuses.....	4,693	4,693	85
Kaiser Aluminum & Chemical Corp., Moss Landing, Monterey County, Calif.....	Periclase, magnesium oxide, dolomite.....	915,472	915,472	70
Indiana Gear Work, Inc., Indianapolis, Ind.....	Aircraft gear units.....	84,535	82,835	85
Georgia, Florida & Alabama R. R. Co., between Richland and Bainbridge, Ga.....	Railroad transportation.....	93,572	93,572	65
Peerless Tool & Engineering Co., Chicago, Ill.....	Precision machining and fabricating aircraft engine components.....	149,087	149,087	90
Wyckoff Steel Co., Chicago, Ill.....	Steel bars and shapes.....	685,350	685,350	60
Wyckoff Steel Co., Ambridge, Pa.....	Steel bars, carbon, and alloys.....	118,385	118,385	60
Manlove Manufacturing Co., Los Angeles, Calif.....	Aircraft valves.....	10,989	10,989	90
Monarch Steel Co., Hammond, Ind.....	Steel bars.....	300,000	300,000	60
Associated Iron & Metal Co., Oakland, Calif.....	Scrap iron.....	51,076	40,030	75
Wisconsin-Appleton Co., South Milwaukee, Wis.....	Iron castings.....	1,293,419	1,293,419	75
Metal Fabricators Corp., Waltham, Mass.....	Aircraft engine parts.....	29,000	29,000	75
Cameron Iron Works, Inc., Houston, Tex.....	Forged and rough-machined beech rings.....	2,915,417	2,915,417	75
Bendix Products Division, Bendix Aviation Corp., South Bend, Ind.....	Aircraft landing gear.....	1,196,843	1,183,668	80
Stoner Manufacturing Co., Aurora, Ill.....	Brass cartridge cases.....	144,649	144,649	75
Lake Erie Engineering Corp., Tonawanda, N. Y.....	Hydraulic presses.....	271,758	271,758	80
The National Radiator Co., Danville, Pa.....	Iron powder.....	4,617,530	4,592,530	60
Greenback Metal Powder Co., Inc., Dayton, Ohio.....	do.....	4,741,605	4,726,605	60
Monsanto Chemical Co., Near Pocatello, Idaho (tentative).....	Phosphorus.....	7,500,000	7,450,000	50
St. Paul & Tacoma Lumber Co., Tacoma, Wash.....	Wood chips for pulp.....	600,000	435,000	65
Bower Roller Bearing Co., Detroit, Mich.....	Roller bearings.....	2,247,686	2,122,686	85
The Stanley Works, New Britain, Conn.....	Cold-rolled steel.....	906,182	906,182	60
Ashland Oil & Refining Co., Canton, Ohio.....	Gasoline, butane, jet fuels.....	3,870,000	3,870,000	75
Gladding, McBean & Co., Pittsburg, Calif.....	Fire clay refractory products.....	1,712,089	1,683,589	85
Gladding, McBean & Co., South Gate, Calif.....	Brick refractory.....	710,050	655,050	85
Chrysler Corp., Detroit, Mich.....	Rear axle housings.....	196,991	196,991	90
Johns Hartford Tool Co., Inc., Hartford, Conn.....	Aircraft engine parts.....	8,038	8,038	90
Rockport Steamship Co., Manitowoc, Wis.....	Water transportation.....	1,000,000	1,000,000	80
Premier Petroleum Co., Fort Worth, Tex.....	Jet fuel, butane, gasoline.....	3,580,000	3,580,000	75
Westvaco Chemical Division, Food Machinery & Chemical Corp., Pocatello, Idaho.....	Elemental phosphorus.....	9,000,000	9,000,000	50
Ingram Products Co., Nashville, Tenn.....	Transportation, barges.....	1,244,000	764,000	80
E. & G. Brooke Iron Co., Exeter Township, Berks County, Pa.....	Pig iron.....	175,000	175,000	85
United Aircraft Corp., Hamilton Standard Division, Windsor Locks, Conn.....	Aircraft propellers.....	17,000,000	16,800,000	75
United Aircraft Corp. (Pratt & Whitney Aircraft Division), North Haven, Conn.....	Aircraft engines and parts.....	14,200,000	14,000,000	75
United Aircraft Corp. (Pratt & Whitney Aircraft Division), East Hartford, Conn.....	Aircraft engines.....	8,400,000	8,400,000	75
Korhume-Heffron & Preiss Steel Co., Evanston, Ill.....	Cold-rolled spring steel.....	1,182,904	1,182,904	60
Koppers Co., Inc., Petrolia, Pa.....	Resorsinol.....	617,000	617,000	50

Necessity certificates issued—Continued

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Name of company and location of facilities	Product or service	Amount applied for	Amount eligible	Percentage certified
The Cold Metal Products Co., Youngstown, Ohio.	Strip steel	\$1,287,800	\$1,267,185	90
Canton Drop Forging & Manufacturing Co., Canton, Ohio.	Propeller extrusions	114,306	114,306	75
Do.	Forgings (jet engines)	250,000	250,000	75
SKF Industries, Inc., Philadelphia, Pa.	Roller bearings and lock nuts	5,749,693	5,749,693	85
Koberg Paper Mills, Inc., Green Bay, Wis.	Paper towels, sulfate pulp	100,000	100,000	65
Plainville Metal Works, Plainville, Conn.	Parachute hardware	14,663	14,663	80
Los Angeles Die Casting Co., Los Angeles, Calif.	Die castings	17,554	17,554	75
The Champion Paper & Fibre Co., Canton, N. C.	Bleached chemical pulp	4,345,742	4,336,418	65
Stover Lock Nut & Machinery Corp., Easton, Pa.	Safety nuts, tank track pins	299,000	299,000	70
National Gypsum Co., Newburgh, N. Y.	Gypsum paper	478,105	476,106	50
Latrobe Electric Steel Co., Latrobe, Pa.	Tool steels (high speed)	4,149,000	4,149,000	75
Hawthorne Finishing Co., St. Louis, Mo.	Treating of cotton duck	188,497	180,497	60
The Flintkote Co., Santa Clara, Calif.	Paperboard products: Shipping containers	2,769,000	2,625,000	50
The Chesapeake Corp. of Virginia, West Point, Va.	Pulp (wood)	930,815	934,648	65
Pacific Piston Ring Co., Los Angeles, Calif.	Aircraft valves	30,303	30,303	90
American Brake Shoe Co., Chicago, Ill.	Forgings for tank track, shell bodies	219,442	172,969	80
Avon Tube Division, Highie Manufacturing Co., Rochester, Mich.	Electric-weld steel tubing	209,240	209,240	60
Manchester Board & Paper Co., Inc., Richmond, Va.	Paperboard	4,060,000	4,000,000	50
Norma-Hoffman Bearings Corp., Stamford, Conn.	Instrument ball bearings	350,000	250,000	75
Glass Fibers, Inc., Defiance, Ohio.	Glass superfine wool	1,717,278	1,467,403	85
SKF Industries, Inc., Shippensburg, Pa.	Roller, ball bearings, lock nuts	902,103	886,163	85
Rhineland Paper Co., Rhineland, Wis.	Glassine and wax papers	2,929,526	1,436,303	50
The Okonite Co., Passaic, N. J.	Shipboard cables (electricity)	10,000	10,000	75
William E. Hooper & Sons Co., Woodberry, Baltimore, Md.	Cotton duck, rope, cord	354,900	354,900	60
Doway Cotton Mills Co., Salisbury, N. C.	Knitting yarns	768,000	768,000	60
Philadelphia Textile Finishers, Inc., Norristown, Pa.	Finishes to cotton duck	52,000	52,000	60
Faton Manufacturing Co., Battle Creek, Mich.	Blades for jet engines	848,318	848,318	75
California Refining Co., Perth Amboy, N. J.	Gasoline, fuels	32,950,583	32,950,583	80
Mills Mill, Woodruff plant, Woodruff, S. C.	Cotton cloth	1,255,552	886,906	60
Chesnee Mills, Inc., Chesnee, S. C.	do	1,530,617	1,421,737	90
Coast Centerless Grinding Co., Los Angeles, Calif.	Precision grinding, honing, lapping, and machine work	66,215	48,215	50
Morris & Cumings Dredging Co., Inc., New York Harbor, N. Y., and east coast, United States.	Dredging channels, harbors	1,100,000	550,000	50
Commercial Construction Co., Inc., Houston, Tex.	Scrap iron	80,138	80,138	75
Commercial Metals Co., Houston, Tex.	do	50,000	50,000	75
Jones & Laughlin Steel Corp., Pittsburgh, Pa.	Transportation (towboats, barges)	2,571,700	720,175	70
National Steel Corp., Lorain, Ohio.	Transportation (lake freighter)	6,500,000	1,833,525	80
California-Doran Heat Treating Co., Los Angeles, Calif.	Steel fittings, bolts	224,672	151,672	75
Axelson Manufacturing Co., Vernon, Calif.	Aircraft assemblies	230,688	230,688	85
Kennecott Copper Corp., White Pine County, Nev.	Virgin copper	7,342,910	3,987,910	75
Thompson Trailer Corp., unknown	Housing for radar	455,000	445,000	85
Mills Mill, Saxon plant, Spartanburg, S. C.	Cotton cloth	955,239	955,239	60
Rotary Electric Steel Co., Macomb County, Mich.	Alloy and stainless steel billets	888,000	888,000	60
Aluminum Co. of America (Cleveland Works), Cleveland, Ohio.	Aluminum, aircraft engine forgings	2,749,000	2,749,000	75
Fuller Manufacturing Co., Kalamazoo, Mich.	Automotive transmissions	1,178,787	1,010,010	80
Jones & Laughlin Steel Corp., Pittsburgh, Pa.	Steel scarfing	1,461,800	1,343,685	90
Stoner Manufacturing Co., Aurora, Ill.	Brass cartridge cases	15,993	15,993	75
Inland Equipment Co., Nashville, Tenn.	Rocket head assembly	56,534	56,534	85
Olin Industries, Inc., Covington, Tenn.	Dry batteries	490,511	490,510	75
Aircraft Hardware Manufacturing Co., Inc., New York, N. Y.	Aircraft hardware	19,976	19,976	85
Rem-Cru Titanium, Inc., Midland, Pa.	Titanium ingots	450,000	450,000	75
Ingersoll Steel Division, Borg-Warner Corp., New Castle, Ind.	Steel ingots	562,368	562,368	75
Ben Levy, doing business as Island City Iron & Metal Co., Galveston, Tex.	Scrap iron	25,000	25,000	75
Meskovitz Bros., Cincinnati, Ohio.	do	20,000	20,000	75
Aircraft Precision Products, Inc., Oak Park, Mich.	Parts for jet engines	59,511	52,211	90
Ohio Ferro-Alloys Corp., Philo, Ohio.	Ferro-silicon	237,500	237,500	85
Metalweld, Inc., Philadelphia, Pa.	Spraying protective coating on shafts	232,000	213,000	60
Pacific Moulded Products Co., Los Angeles, Calif.	Research (rubber and rubber synthetics)	5,609	5,609	75
Lukens Steel Co., Coatesville, Pa.	Steel fabrication and assembly	142,000	142,000	60
Tantalum Defense Corp., North Chicago, Ill.	Tungsten wire, sheet and fabricated parts; tungsten powder	827,193	827,193	85
Globe Steel Tubes Co., Milwaukee, Wis.	Steel tubing	780,434	750,434	75
Wells Aircraft Parts Co., Los Angeles, Calif.	Machined aircraft parts	5,153	4,188	85
Hydraulic Units, Inc., Glendale, Calif.	Hydraulic controls for aircraft	32,879	32,879	85
Summers Gyroscope Co., Santa Monica, Calif.	Gyroscopic aircraft instruments	78,637	70,844	85
Columbia Iron & Metal Co., Girard, Ohio.	Ferrous scrap	1,023,715	943,715	75

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Chotin, Inc., New Orleans, La.	Oil transportation, barges and towboat	\$572,345	\$178,000	80
New York Transformer Co., Inc., Alpha, N. J.	Transformers for electronic equipment	50,000	394,345	70
Allegheny Ludlum Steel Corp., West Leechburg, Pa.	Steel strip	3,800,000	3,800,000	70
The Torrington Co., Torrington, Conn.	Antifriction bearings	1,854,897	1,645,098	80
Towle & Son Co., Philadelphia, Pa.	Aircraft engine instruments	49,500	49,500	85
Interstate Engineering Corp., El Segundo, Calif.	Aircraft parts	94,826	94,826	85
Climax Uranium Co., Grand Junction, Colo.	Uranium oxide	909,023	908,194	90
Buckeye Cotton Oil Co., Chemical Pulp Division, Perry, Fla.	Wood pulp dissolving grade	26,777,735	21,527,735	65
Allen B. Dumont Laboratories, Inc., Clifton, N. J.	Electronic equipment	27,625	27,625	75
Offshore Oil Transport Co., Houston, Tex.	Transportation, towboat	124,210	124,210	70
Goodyear Tire & Rubber Co., Inc., Los Angeles, Calif.	Earth-mover tire repairs	38,791	38,791	80
Pacific Valves, Inc., Long Beach, Calif.	Industrial steel valves	45,800	45,800	85
General Ceramics & Steatite Corp., Kensbey, N. J.	Transformer cores, materials for condensers	345,253	345,253	75
The Pennsylvania R. R. Co., Philadelphia, Pa.	Transportation, rail	7,908,165	7,908,165	80
Do.	do	3,000,000	3,000,000	80
Do.	do	555,000	555,000	80
Do.	do	1,574,420	1,574,420	80
Do.	do	1,799,420	1,799,420	80
Do.	do	2,731,350	2,731,350	80
Do.	do	6,550,152	6,550,152	80
Do.	do	5,525,000	5,525,000	80
Natona Mills, Inc., Dallas, Pa.	Cotton twine netting, camouflage	22,525	22,525	75
Technical Laboratories, Inc., Thomaston, Conn.	Electronic components	76,006	76,006	75
The B. F. Goodrich Co., Akron, Ohio.	Testing tires	106,353	106,353	75
Collins Radio Co., Cedar Rapids, Iowa.	Radar equipment	908,266	908,266	80
New Hampshire Ball Bearings, Inc., Peterborough, N. H.	Precision ball bearings	28,783	33,783	85
Varian Associates, Palo Alto, Calif.	Electronic equipment, tubes for radar	2,455,933	2,455,933	75
N. H. N. Tool & Die Works, Gerwood, N. J.	Stampings, metal	6,314	6,314	75
Seaboard Air Line R. R. Co., Hialeah, Fla.	Transportation, rail	157,800	127,636	65

Necessity certificates issued—Continued

APR. 27 TO MAY 3

Name of company and location of facilities	Product or service	Amount applied for	Amount eligible	Percentage certified
Kaiser Aluminum & Chemical Corp., Salinas, Calif.	Calced dolomite	\$1,173,000	\$1,173,000	85
The Baltimore & Ohio R. R. Co., Baltimore, Md.	Transportation, rail	5,642,160	5,642,160	80
Electronic Associates, Inc., Long Branch, N. J.	Electronic instrumentation	8,709	8,709	85
United States Testing Co., Inc., Hoboken, N. J.	Testing of electroale equipment	11,829	11,829	75
Norma-Hoffmann Bearings Corp., Stamford, Conn.	Instrument ball bearings	180,000	180,000	75
Sonnet Supply Co., Hawthorne, Calif.	Cutting tools	17,091	17,091	90
The Baltimore & Ohio R. R. Co., Baltimore, Md.	Transportation, rail	4,534,000	4,534,000	80
The Torrington Co., Torrington, Conn.	Roller bearings	281,566	281,566	85
Oil Transfer Corp., New York, N. Y.	Tank barges	500,000	500,000	80
Chotin Transportation, Inc., New Orleans, La.	Transportation, barge	97,875	97,875	80
United Drill & Tool Corp. (Chicago-Latrobe Twist Drill Works Division), Chicago, Ill.	Cutting tools, drills	201,058	201,058	85
Coyle Lines, Inc., home port, Wilmington, Del.	Transportation, towboats	1,200,000	1,200,000	70
Tex-Mex Towing Co., Inc., Houston, Tex.	do	131,039	131,039	70
The Pennsylvania R. R. Co., Philadelphia, Pa.	Transportation, rail	1,475,000	1,475,000	80
Do	do	5,220,000	5,220,000	80
Gisholt Machine Co., Madison, Wis.	Machine tools	324,577	324,577	85
Mississippi Valley Barge Line Co., St. Louis, Mo.	Transportation, rail	1,075,772	1,075,772	80
American Smelting & Refining Co., New York, N. Y.	do	600,000	600,000	80
National Twist Drill & Tool Co., Rochester, Mich.	Metal-cutting tools	835,947	835,947	80
The Baltimore & Ohio R. R. Co., Baltimore, Md.	Transportation, rail	1,569,000	1,569,000	80
John Mohr & Sons, Chicago, Ill.	Construction of heavy industrial equipment	236,225	169,806	80
C. F. Harms Co., New York Harbor, N. Y.	Transportation, barge	73,100	73,100	90
Skagit Steel & Iron Works, Sedro-Woolley, Wash.	Winch	22,137	22,137	75
Buffalo, Rochester & Pittsburgh Ry. Co., Baltimore, Md.	Transportation, rail	5,330,839	5,330,839	65
American Smelting & Refining Co., New York, N. Y.	Hopper cars	75,000	75,000	80
American Steamship Co., Manitowoc, Wis.	Transportation, freight vessel	6,593,253	6,593,253	80
R. & B. Tool & Gauge Co., Detroit, Mich.	Gages, tools, dies, fixtures	52,882	52,882	85
Star Cutter Co., Farmington, Mich.	Metal cutting tools	545,045	401,745	80
The Baltimore & Ohio R. R. Co., Baltimore, Md.	Transportation, rail	4,567,100	4,567,100	80
The Steel Improvement & Forge Co., Cleveland, Ohio	Aircraft engine parts	169,162	169,162	75
City Pattern Foundry & Machine Co., Detroit, Mich.	Metal patterns, castings	134,911	134,911	85
The Standard Lime & Stone Co., Woodville, Ohio	Dolomitic lime	22,022	22,022	85
The Pennsylvania R. R. Co., Philadelphia, Pa.	Transportation, rail	4,143,750	4,143,750	80
Do	do	4,474,744	4,474,744	80
Do	do	11,050,000	11,050,000	80
White-Roth Machine Corp., Lorain, Ohio	Mining machines	122,180	122,180	50
Aluminum Ore Co. (Bauxite, Arkansas works), Bauxite, Ark.	Alumina	54,000,000	53,900,000	80
Cosden Petroleum Corp., Big Spring, Tex.	Benzene	2,950,000	2,950,000	85
The Dow Chemical Co., Midland, Mich.	Ethylene dibromide	70,000	70,000	100
The Dow Chemical Co., Ludington, Mich.	Bromine	433,500	433,500	100
The Dow Chemical Co., Midland, Mich.	Ethylene dibromide	200,000	200,000	100
Do	Bromine	630,000	630,000	100
Do	Crude ethylene dibromide	100,000	100,000	100
The Benson Manufacturing Co., Kansas City, Mo.	Gasoline tanks, aircraft, oil tanks	550,000	511,127	80
Reynolds Aluminum Co., Jones Mills, Ark.	Aluminum pig	370,000	370,000	80
Le Roi Co., Milwaukee, Wis.	Engine, air compressors, generator sets	350,595	350,595	70
Hogan Laboratories, Inc., New York, N. Y.	Research and development, electronic	14,205	14,205	85
Philadelphia, Bethlehem & New England R. R. Co.	Transportation, rail	896,000	275,000	60
South Buffalo Ry. Co., Lackawanna, N. Y.	do	1,877,000	600,000	75
Warren Petroleum Corp., unknown	do	6,986,280	1,183,000	65
The Southland Towing Co., Louisville, Ky.	Towboat and barge transportation	535,026	694,000	75
Dana Corp., Toledo, Ohio	Transmission, gears (truck)	3,418,583	325,402	70
Sturges Gin Co., Somerton, Ariz.	Ginning of cotton	76,250	209,624	80
Sturges Gin Co., Yuma, Ariz.	do	76,250	3,418,583	75
Kearfott Manufacturing Corp., Newark, N. J.	Instrument motors and synchros	61,724	76,250	65
Moynahan Bronze Co., Flat Rock, Mich.	Aircraft hinges	241,130	74,250	65
W. H. Nichols Co., Waltham, Mass.	Aircraft engine pumps	202,934	59,358	75
Growers Gin Co., Inc., Gilbert, Ariz.	Lint cotton and cottonseed	143,380	241,130	80
Harper & Bowers, Estill, S. C.	Grain elevator	135,250	202,934	85
E. I. du Pont de Nemours & Co., Newport, Del.	Titanium	1,227,000	121,880	65
The Pure Oil Co., Toledo, Ohio	Butenes	7,140,000	132,500	50
The Ferro Engineering Co., Cleveland, Ohio	Refractory bottom rings	280,000	1,227,000	90
Shafter-Wasco Ginning Co., Inc., Shafter, Calif.	Cotton ginning	126,572	7,140,000	75
The Chesapeake & Ohio Ry. Co., Cleveland, Ohio	Transportation, rail	1,700,000	255,000	75
The Standard Lime & Stone Co., McCook, Ill.	Douhle-burned dolomite	679,333	126,572	65
Mississippi Valley Barge Line Co., St. Louis, Mo.	Transportation, barge	450,000	1,700,000	80
Belle City Malleable Iron Co., Racine, Wis.	Electric steel castings	1,505,064	679,333	85
Macon, Duhlin & Savannah R. R. Co., Portsmouth, Va.	Transportation, rail	281,364	450,000	80
The Wheland Co., Chattanooga, Tenn.	Guns	2,750,000	1,505,064	75
			281,364	65
			2,697,000	90

* The net amount certified is the amount remaining after deducting the current or sale value of the replaced facilities from the cost of \$134,911 estimated in the application.

† The net amount certified is the amount remaining after deducting the cost of the land, and the current or sale value of the replaced facilities from the cost of \$241,130 estimated in the application.

APR. 27 TO MAY 3

Agricultural Products Co., Queen Creek, Ariz.	Ginning of cotton	\$169,322	\$167,322	65
Agricultural Products Co., Eley, Ariz.	do	169,322	167,322	65
Cattani Cotton Gins, Arvin, Calif.	do	165,436	163,436	65
Growers' Ginning & Marketing Co., Casa Grande, Ariz.	do	168,122	167,322	65
S. A. Camp Ginning Co., Wheeler Ridge, Calif.	do	134,190	124,190	65
Camp & McFarland, Delano, Calif.	do	134,190	124,190	65
Sam Hamburg Farms A Corp., Los Banos, Calif.	Lint, cottonseed	148,686	148,686	65
Maricopa Cotton Gin Co., Bakersfield, Calif.	Raw cotton	165,436	163,436	65
Plastic Wire & Cable Corp., Jewett City, Conn.	Wire	125,000	125,000	75
The Dow Chemical Co., Ludington, Mich.	Magnesium chloride	1,422,000	1,422,000	85
Metallurgical Laboratories, Bayside, N. Y.	Research and development	1,600,000	1,600,000	75
Shell Oil Co., Deer Park (Harris County), Tex.	Benzene	10,400,000	10,400,000	85
The Pure Oil Co., Nederland, Tex.	Butenes	11,140,000	11,140,000	75
Old Colony Manufacturing Corp., Taunton, Mass.	Cotton duck	472,640	472,640	60
Shell Oil Co., Wood River, Ill.	Butenes storage	243,000	243,000	100
Do	Pipeline	274,000	274,000	75
Standard Oil Co. of California, Richmond, Calif.	Alkylate	24,000	24,000	100
American Cyanamid Co., Michigan City, Ind.	Synthetic fluid cracking catalyst	5,116,987	5,077,035	85
Socony-Vacuum Oil Co., Inc., East St. Louis, Ill.	Butene	260,000	260,000	100
Aromatics Refining Co., Inc., Baton Rouge, La.	Benzene, xylene, toluene concentrate, motor gasoline	11,930,000	11,630,000	85
The Delaware, Lackawanna & Western R. R. Co., New York, N. Y. (home office)	Transportation, rail	2,825,275	2,825,275	80
The Delaware, Lackawanna & Western R. R. Co., New York, N. Y.	do	1,923,556	1,923,556	80
The Baltimore & Ohio R. R. Co., Baltimore, Md.	do	7,861,750	7,861,750	80

Necessity certificates issued—Continued

APR. 27 TO MAY 3—continued

Name of company and location of facilities	Product or service	Amount applied for	Amount eligible	Percentage certified
Aerojet Engineering Corp., Nimbus, Calif.	Ordnance	\$2,275,965	\$2,065,465	75
West Point Manufacturing Co., Langdale, Ala.	Cotton duck	678,799	678,799	60
Great Lakes Steamship Co., Inc., Cleveland, Ohio	Water transportation, iron ore	6,000,000	6,000,000	80
Roosevelt Oil & Refining Corp., Mount Pleasant, Mich.	Benzene	1,500,000	1,500,000	85
Texas Natural Gasoline Corp., Rankin and Tye, Tex.	Rail transportation of iso-butene and normal butene in tank cars	435,000	435,000	80
The New York Central R. R. Co., New York, N. Y.	Transportation, rail	5,261,000	5,261,000	80
Do.	do	4,600,000	4,600,000	80
Do.	do	2,772,000	2,772,000	80
Do.	do	5,450,000	5,450,000	80
Do.	do	3,055,000	3,055,000	80
Do.	do	2,025,000	2,025,000	80
Seaboard Shipping Corp., New York, N. Y.	Water transportation of oil	254,819	254,819	80
The Baltimore & Ohio R. R. Co., Baltimore, Md.	Transportation, rail	5,350,611	4,505,885	85
The Delaware, Lackawanna & Western R. R. Co., New York, N. Y.	do	5,428,350	5,428,350	65
Gaylord Container Corp., Bogalusa, Washington Parish, La.	Sulfate pulp	6,975,630	6,205,373	60
Arvey Corp., Memphis, Tenn.	Chlorine, caustic soda	1,678,315	1,678,315	50
Libbey-Owens-Ford Glass Co., Rossford, Ohio	Plate glass	14,183,000	14,183,000	80
Monsanto Chemical Co., St. Louis, Mo.	Malala anhydride	1,345,000	1,345,000	60
Potash Co. of America, Dumas, Tex.	Potassium sulfate hydrochloric acid	815,000	783,000	50
Monsanto Chemical Co., Springfield, Mass.	Research	188,000	188,000	50
The Harshaw Chemical Co., Elyria, Ohio	Chrome alumina	149,082	78,600	70
Dow Corning Corp., Midland, Mich.	Methyl chloride	820,000	820,000	70
Air Reduction Co., Inc., Calvert City, Ky.	Calcium carbide	8,329,000	4,491,000	60
Minnesota Mining & Manufacturing Co., Langdon, Minn.	Trifluoroacetic acid	471,609	471,609	85
Jones & Laughlin Steel Corp., Aliquippa, Pa.	Commercial fertilizers	70,000	69,400	85
Monsanto Chemical Co., Monsanto, Ill.	Co-per and quinolinolate	41,250	21,250	70
The Harshaw Chemical Co., Elyria, Ohio	Synthetic optical crystal	108,000	108,000	80
United States Industrial Chemicals, Inc., Baltimore, Md.	Ethyl alcohol	328,815	328,815	50
The Dow Chemical Co., Freeport, Tex.	Pipeline for petroleum gases	1,061,000	1,061,000	60
Do.	Ethylene	5,600,000	5,600,000	60
Pennsylvania Salt Manufacturing Co., Calvert City, Ky.	Hydrofluoric acid	341,088	341,088	75
Air Reduction Co., Inc., Louisville, Ky.	Acetylene	103,416	103,416	60
The Dow Chemical Co., Pittsburg, Calif.	Methylene chloride	670,000	670,000	70
The Chesapeake & Ohio R. R. Co., Cleveland, Ohio	Transportation, rail	23,757,704	17,133,436	65
Collins Radio Co., Arcadia, Calif.	Radio units	842,382	777,382	80
The New York Central R. R. Co., New York, N. Y.	Transportation, rail	4,415,000	4,415,000	80
National Container Corp., Valdosta, Ga.	Kraft pulp, paper	15,000,000	23,165,000	60
Aluminum Co. of America (Massena reduction plant), Massena, N. Y.	Primary aluminum	2,359,000	2,359,000	95
Carolina Aluminum Co., Badin, N. C.	do	295,000	295,000	95
The New York Central R. R. Co., New York, N. Y.	Transportation, rail	1,866,593	1,866,593	65
Do.	do	2,307,532	2,307,532	65
Do.	do	383,650	383,650	65
Do.	do	2,257,132	2,257,132	65
Aluminum Co. of America (Point Comfort works), Port Lavaca, Tex.	Primary aluminum	34,000,000	34,000,000	80
Standard Oil Co. of Texas, El Paso, Tex.	Heating oils and gasolines, Diesel fuels	10,264,000	10,264,000	80
Electric Steel Castings Co., Indianapolis, Ind.	Steel castings	9,083	9,083	75
Wagner Malleable Iron Co., Decatur, Ill.	Iron castings	300,000	300,000	75
Western Alloyed Steel Casting Co., Minneapolis, Minn.	Steel castings	7,905	7,905	75
National Malleable & Steel Castings Co., Cleveland, Ohio	Iron castings	3,547,875	3,547,875	75
National Malleable & Steel Castings Co., Sharon, Pa.	Ingot and steel castings	544,000	544,000	75
National Malleable & Steel Castings Co., Cicero, Ill.	Malleable and steel castings	921,000	921,000	75
National Malleable & Steel Castings Co., Indianapolis, Ind.	Malleable iron castings	1,123,000	1,118,500	75
Standard Steel Spring Co., Coraopolis, Pa.	Springs, universal joints	175,000	175,000	75
National Malleable & Steel Castings Co., Melrose Park, Ill.	Steel castings	158,000	158,000	75
The Harrison Steel Castings Co., Attica, Ind.	do	658,476	658,476	75
Victor Chemical Works, Silver Bow, Mont.	White phosphorus ferrophosphorus	9,320,683	9,304,950	50
Electrical Engineering & Manufacturing Corp., Los Angeles, Calif.	Electrical motors	196,500	144,500	75
Detroit Aluminum & Brass Corp., Bellefontaine, Ohio	Friction bearings	1,081,413	1,071,413	75
Evans Tool & Die Co., Detroit, Mich.	Machining castings	59,243	59,243	85
Pittsburgh Coke & Chemical Co., Neville Island, Pa.	Coke, benzol	6,115,000	6,115,000	85
New England Forest Products, Inc., Berlin, N. H.	Wood fiber board	2,850,000	2,762,000	50
Crown-Zellerbach Corp., Camas, Wash.	Pulp	19,794,500	19,732,769	65
The Baltimore & Ohio R. R. Co., Baltimore, Md.	Transportation, rail	1,732,560	1,732,560	65
Mason, Dublin & Savannah R. R. Co., Portsmouth, Va.	do	117,497	113,497	65
Standard Oil Co. (an Indiana corporation), Wood River, Ill.	Alcohols	2,552,000	2,552,000	80
Standard Oil Co. (an Indiana corporation), Sugar Creek, Mo.	Olefin concentrate for alcohol	142,060	142,060	80
The Baltimore & Ohio R. R. Co., Baltimore, Md.	Transportation, rail	781,280	781,280	65

* Amount to be diminished by current value or sale price of old building being replaced.

MAY 4 TO 11, 1951

E. R. Squibb & Sons, New Brunswick, N. J.	Penicillin and streptomycin	\$3,472,000	\$3,472,000	60
Sharp & Dohme, Inc., West Point, Pa., Upper Gynedd Township	Dried human blood plasma	958,000	958,000	75
Chas. Pfizer & Co., Inc., Groton, Conn.	Antibiotics (penicillin and streptomycin)	8,692,000	8,692,000	65
Chas. Pfizer & Co., Inc., Brooklyn, N. Y.	do	890,000	890,000	65
Chas. Pfizer & Co., Inc., Terre Haute, Ind.	do	475,000	475,000	65
American Cyanamid Co., Pearl River, N. Y.	Aureomycin	6,000,000	6,000,000	60
Cutter Laboratories, Berkeley, Calif.	Penicillin	146,988	146,988	70
Do.	Dried human plasma and blood fractions	104,420	90,738	75
Novocol Chemical Manufacturing Co., Inc., Brooklyn, N. Y.	Anesthetic cartridges	85,000	85,000	50
J. T. Baker Chemical Co., Phillipsburg, N. J.	Penicillin	168,100	168,000	50
Climax Uranium Co., Outlaw and Calamity Mess, Colo., and Cactus Rat, Utah	Mineral ores	173,699	173,699	90
Continental Can Co., Inc., Hopewell, Va.	Drum liner board	7,350,846	7,350,846	50
Servel, Inc., Evansville, Ind.	Airplane parts	1,231,000	1,231,000	75
National Standard Co., Clifton, N. J.	Cold-rolled strip steel	786,000	786,000	60
Hooker Electrochemical Co., Tacoma, Wash.	Chlorine	2,734,592	2,734,592	50
Sylvania Electric Products, Inc., Warren, Pa.	Parts of electron tubes	427,533	427,533	80
Titanium Metals Corp. of America, Henderson, Nev.	Titanium metal	14,162,840	14,162,840	90
Johnson Bronze Co., New Castle, Pa.	Sleeve bearings	614,833	592,403	75
Do.	do	785,118	785,118	75
The Trane Co., La Crosse, Wis.	Heat transfer surface	671,800	671,800	75
The Alabama Great Southern R. R. Co., Birmingham, Ala.	Transportation, rail	9,200,000	8,514,000	65
Flint Belt R. R. Co., Flint, Mich.	do	92,320	92,320	65
The Chesapeake & Ohio R. R. Co., Cleveland, Ohio	do	2,383,763	2,383,763	65
Douglas Tool Co., Hazel Park, Mich.	Ordnance, aircraft component	68,000	60,000	75
Wickes Engineering & Construction Co., Camden, N. J.	Electronic equipment	230,977	230,977	75
Vulcan Mold & Iron Co., Lansing, Ill.	Ingot molds and accessories	1,022,800	1,022,800	75
The Delaware & Hudson R. R. Corp., New York, N. Y.	Transportation, rail	18,606,197	12,925,000	80
			5,681,197	65

Necessity certificates issued—Continued

MAY 4 TO 11, 1951

Name of company and location of facilities	Product or service	Amount applied for	Amount eligible	Percentage certified
The Cleveland-Cliffs Steamship Co., Cleveland, Ohio.....	Transportation, Lakes ore ship.....	\$900,000	\$900,000	80
Do.....	do.....	900,000	900,000	80
Phillips Oil Co., Sweeny, Tex.....	Aviation gasoline.....	8,417,400	8,417,400	85
Calolina Farms Gin, Kern County, Calif.....	Cotton and cottonseed.....	331,223	268,573	65
Penn Engineering & Manufacturing Corp., Buckingham, Pa.....	Self-clinching fasteners, hardware.....	22,458	22,458	85
Hudson Wire Co., Cassopolis, Mich.....	Insulated magnet wire.....	368,700	368,700	80
Casting Engineers, Inc., Chicago, Ill.....	Precision castings.....	153,815	143,815	85
Highway Trailer Co., Edgerton, Wis.....	Trailers.....	80,000	80,000	75
Transcoil Corp., New York, N. Y.....	Motors, generators, and gear trains.....	12,850	12,850	90
Carroll Pressed Metal Co., Worcester, Mass.....	Metal stampings and fabrication.....	4,975	4,618	90
Sloss-Sheffield Steel & Iron Co., Birmingham, Ala.....	Coke and coal chemicals.....	1,976,200	1,976,200	85
Wells Aircraft Parts Co., Los Angeles, Calif.....	Aircraft parts.....	95,000	95,000	90
Advance Electric & Relay Co., Burbank, Calif.....	Electrical relays.....	87,010	87,010	75
Cosden Petroleum Corp., Big Spring, Tex.....	Gasoline.....	1,720,007	1,720,007	80
Morrison Steel Products, Inc., Buffalo, N. Y.....	Storage boxes, fenders, braces.....	60,000	60,000	50
Georgia-Pacific Plywood & Lumber Co., Jackson, Miss.....	Lumber.....	34,048	30,616	75
Zalica Bros., Wilmington, Del.....	Piping.....	186,070	186,070	65
Liberty Products Corp., Farmingdale, N. Y.....	Aircraft parts.....	1,166,700	1,066,700	65
The Monongahela Connecting R. R. Co., Pittsburgh, Pa.....	Transportation, rail.....	1,784,889	1,523,000	65
Do.....	do.....	15,683	15,683	90
Electric Specialty Co., Stamford, Conn.....	Armature laminations, castings (electrical).....	106,500	106,500	75
Townsend Co., New Brighton, Pa.....	Self-locking nuts.....	632,000	632,000	75
Allen-Bradley Co., Milwaukee, Wis.....	Potentiometers.....	1,170,000	1,170,000	85
Standard Oil Co. of Indiana, Whiting, Ind.....	Benzene.....	177,845	177,845	100
Humble Oil & Refining Co., Baytown, Tex.....	Storage of petroleum.....	725,000	725,000	85
Patterson Oil Terminals, Inc., Paulsboro, N. J.....	Grain storage.....	67,500	67,500	50
H. V. Parker Grain Co., Hugoton, Stevens County, Kans.....	Lumber.....	17,500	17,500	50
The Norman Lumber Co., Louisville, Ky.....	Hardwood lumber.....	51,319	39,068	50
Hornor Flooring Co., Dollar Bay, Mich.....	Set screws, shop equipment.....	6,798,067	6,697,540	75
Standard Pressed Steel Co., Jenkintown, Pa.....	Ferric sulfate.....	147,204	147,204	50
Stauffer Chemical Co., Richmond, Calif.....	Parts for aircraft engines.....	30,526	30,526	90
Hartford Tool & Die Co., Inc., Hartford, Conn.....	Optical instruments.....	65,653	65,653	75
American Gystroscope Makers, Inc., New York, N. Y.....	Stretchers aluminum plate.....	350,000	350,000	70
Kaiser Aluminum & Chemical Corp., Trentwood, Wash.....	Sulfuric acid.....	4,000,000	4,000,000	70
Bethlehem Steel Co., Sparrows Point, Baltimore City, Md.....	do.....	6,890,000	6,300,000	70
General Chemical Division, Allied Chemical & Dye Corp., Newark, N. J.....	do.....	150,000	114,000	70
Stauffer Chemical Co., Comton, Calif.....	do.....	1,910,000	1,910,000	70
General Chemical Division, Allied Chemical & Dye Corp., Newell, Pa.....	do.....	947,186	940,536	80
The Cessna Aircraft Co., Wichita, Kans.....	Tail assemblies, aircraft components.....	915,526	779,100	75
Rome Cable Corp., Rome, N. Y.....	Cable (Signal Corps).....	2,820,000	2,820,000	85
Woodward Iron Co., Woodward, Ala.....	Coke.....	4,251,357	4,063,357	75
The Cleveland Twist Drill Co., Cleveland, Ohio.....	Metal cutting tools.....	320,000	320,000	65
The Cuyahoga Valley Railway Co., Jennings Rd., Cleveland, Ohio.....	Transportation, rail.....	424,000	4,000	60
Godin Tool & Die Co., Detroit 5, Mich.....	Tools, jigs.....	257,300	257,300	80
The Bridgwater Machine Co., Akron, Ohio.....	Airplane parts.....	56,051	56,051	85
The B. F. Goodrich Co., Troy, Ohio.....	do.....	107,285	107,285	90
Greenfield Tap & Die Corp., Greenfield, Mass.....	Cutting tools.....	1,782,900	1,717,291	75
Alamo Water Transportation Co., Houston, Tex.....	Transportation, barge.....	223,600	223,600	80
Seahoard Air Line R. R. Co., Tampa, Fla.....	Transportation, rail.....	906,635	702,333	65
Tank Barge, Inc., San Francisco, Calif.....	Transportation, barge.....	239,501	239,501	80
Cutter Laboratories, East Chattanooga, Tenn.....	Solutions (intravenous), appliance sets (plasma).....	956,096	924,436	80
United States Rubber Co., Bristol, R. I.....	Communications wire.....	111,338	108,864	75
Drugs Bros. Manufacturing Co., Oakland, Calif.....	Ordinance parts.....	119,375	119,375	90
Beckman & Whitley, Inc., San Carlos, Calif.....	Ordinance components.....	15,866	15,866	90
The Great Lakes Towing Co., Towing Cleveland, Ohio.....	Towing service.....	2,000,444	2,000,444	70
Globe Hoist Co., Des Moines, Iowa.....	Bolts, fittings, hushings.....	61,485	61,485	90
The New York Central R. R. Co., New York, N. Y.....	Transportation, rail.....	6,735,000	6,735,000	65
The New York Central R. R. Co., New York, N. Y. (home office).....	do.....	2,109,450	2,109,450	65
Do.....	do.....	904,392	904,392	65
Do.....	do.....	620,528	620,528	65
Ehrhardt Tool & Machine Co. (unknown).....	Gages, dies, and precision tools.....	52,532	52,532	90
The Coleman Co., Inc., Wichita, Kans.....	Airplane parts.....	347,135	347,135	80
Roots-Connersville Blower Corp., Connersville, Ind.....	Centrifugal compressors.....	1,037,887	1,030,324	80
William Whitman Co., Inc., Lawrence, Mass.....	Wool serge cloth.....	212,521	212,521	60
The Texas & Pacific R. R. Co., Dallas, Tex. (home office).....	Transportation, freight cars.....	5,018,539	5,018,539	80
Kingwell Bros., Ltd., San Francisco, Calif.....	Sleeve bushings.....	62,016	62,016	90
Atlantic Coast Terminals, Inc., Newark, N. J.....	Storage (petroleum).....	1,542,541	1,478,516	85
Hermetic Seal Products Co., Newark, N. J.....	Terminals, plugs for radio.....	167,000	157,000	80
Winslow Manufacturing Co., Cleveland, Ohio.....	Gages, jigs, and fixtures.....	26,001	26,001	90
Westinghouse Electric Corp., Anne Arundel County, Md.....	Ordinance.....	11,515,000	11,475,000	75
Old Dutch Refining Co., Muskegon, Mich.....	Fuels.....	616,280	616,280	95
Hytron Radion & Electronics Corp., Danvers, Mass.....	Electron tubes.....	3,400,000	3,333,000	75
The Carpenter Steel Co., Reading, Pa.....	Flats and hands in coils, round rods in coils, round bars.....	7,152,000	7,152,000	60
R. G. LeTourneau, Inc., Longview, Tex.....	Steel plates.....	4,550,000	4,550,000	70

Mr. MALONE. Mr. President, not only have investments a short amortization period, but a great many industries have a contract from the Government at a certain price and for enough production to cover the amortization period.

Now, why is that necessary? Two or three times within the past 60 or 90 days, on the floor of the Senate, the junior Senator from Nevada has discussed that very situation. The Senate has created a condition for which I blame only the United States Senate, not President Roosevelt, not President Truman, not Acheson, not the House of Representatives; I blame the Senate. Under this condition it is impossible for a private investor to put his money into the extension of a plant, which may be,

let us say, a plant engaged in mining, for the purpose of producing tungsten or mercury; or into the extension of a textile plant of a certain needed type, or in the extension of any other kind of plant which produces goods of a nature which can be converted to peacetime production. Most of them are of that character. What is the reason for that? It is because, resulting from the removal of tariffs and import fees, the floor under the investment is gone, and as soon as the war is over the investment will be utterly destroyed. Men engaged in industry did not acquire the knowledge they now have without being smart enough to know that if they invested their own money, it will be lost; so they come to the Reconstruction Fi-

nance Corporation, they come to the General Services Administration, they come to the Bureau of Mines in the Interior Department, and they come to the Defense Production Administration crying for investment capital. The hotels of Washington are full of these men, and they are getting money by the billions of dollars.

I may say it is not the fault of these businessmen. I admire them for knowing their business. The Senate of the United States created the condition which makes it impossible for them to invest their own money. So, as the junior Senator from Nevada said last September of the floor of the Senate, and as carried by the press at the time, we could save more than \$9,000,000,000 on

our domestic program. The President asked for \$10,000,000,000 for this investment program. We did not need \$10,000,000,000, for we could save \$9,000,000,000 in the regular budget. We could have done that, but there was no disposition to do it.

The distinguished Senator from Virginia [Mr. BYRD] has said several times recently, within the past 3 or 4 or 5 months, that we could save \$9,000,000,000 on our domestic budget, and I agree with him. But I say to the distinguished Senator from North Dakota that \$9,000,000,000 is not drop in the bucket compared to what could be saved if we adopted business policies and principles, so that the businessmen of America could invest their money and know where they were going to land following an emergency.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. MALONE. I yield to the distinguished Senator from North Dakota.

Mr. LANGER. But is it not true that, during all the time the distinguished Senator has mentioned, and during the past 20 years, this country has been in charge of the Democrats, and that if the very policy for which the Senator is contending has not been put into effect, it is the fault, not of the Senate, but of the Democratic Party, which has been in control continuously, with the exception of the life of the Eightieth Congress, during which we tried to have the policy changed?

Mr. MALONE. In answer to the distinguished Senator from North Dakota, I come back to the fact that individuals have to vote on the Senate floor. Senators understand what is going on here, as no one else can possibly understand, because they are here when the questions are being debated.

Mr. LANGER. Of course; but is it not true that, aside from the period of the life of the Eightieth Congress, the Senate has been controlled by the Democratic majority?

Mr. MALONE. That is true. But even a Democrat understands an argument. He does not need to be controlled by the President of the United States, and a Secretary of State who is entirely foreign-minded. They are only a part of the Government. There are three branches of the Government, and the mere fact that the Democratic majority has controlled all three from the White House for a considerable time is not the fault of the President. Everyone likes to have authority. The lust for power apparently grows on all men, as we learn by observing people who are in important offices. But the question leads down to the Senate of the United States and to every individual Senator. Let every Senator examine his record to see what he has done. If he likes it, let him continue it; if he does not like it, let him change it. He is not controlled, and he should not be controlled, from the White House or from the office of the Secretary of State.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. MALONE. I yield to the Senator from Idaho.

Mr. DWORSHAK. The Senator from Idaho shares the sentiments expressed by the junior Senator from Nevada, in connection with his insistence upon the maintenance of certain safeguards for the benefit of the industries of the United States, particularly in the face of huge imports of potatoes from Canada and other countries. However, I should like to call the attention of the Senator from Nevada to a situation which undoubtedly exists, and which it is difficult to explain.

A perusal of the hearings will disclose that many Members of Congress endorse the general principle of reciprocal trade agreements, with this exception: They contend that, insofar as the specific industries of the respective States are concerned, they are entitled to protection. For instance, in the Northwest, it may be the mining industry, and, in the Southwest, the lumber industry. In the Southeast, it may be the oil industry, and in the Midwest and in the Allegheny section, the pottery, glassware, and woodworking industries. In the New England States it may be the watch-and-clock industry, and the various other industries operating in that area. In each case, invariably, a Member of Congress will insist that reciprocal trade agreements are very desirable, except that, in specific cases involving their States, there should be exemptions.

I ask the junior Senator from Nevada, if each State or each particular industrial area of the United States were to contend that it is entitled to exemptions of protection under reciprocal trade agreements then is it not true that, if we view all these exemptions compositely and consider the welfare of the entire country, it becomes very obvious that the reciprocal-trade-agreements program is not desirable from the standpoint of promoting the welfare of agriculture, industry, and labor in this country?

Mr. MALONE. I may say, in answer to the distinguished Senator from Idaho, that he is entirely correct as far as he goes. We have been sharpshooting, by either protecting individual segments of the economy, as with subsidies, or by destroying others by tariff cuts. But the sharpshooting days are over. We are familiar with the fact that each particular section of the country favors protection on something it produces and favors free trade in everything else. The steel fabricators come before the committees to make their case, urging that they must have their raw material imported under free trade, but that they must have a tariff of from 15 percent to 65 percent ad valorem on everything they make, from a hairpin to a bar of brass. That, of course, is the provincial theory, but it has been the theory, and it led to log rolling on the Senate floor, no doubt, over the years. But we have passed that point. We must adopt a principle. There is no principle represented by the measure which is now pending before the Senate. Witness the distinguished senior Senator from Florida, who says that there are now permissive amendments in the bill, "and we hope," the Senator said, "that we can prevail on the Secretary of State to pro-

tect our perishable agricultural products, under these permissive amendments."

We still have a great deal of this special pleading, this sectionalism and provincialism, but the sentiments are slowly changing. To wit: I have today received the resolution adopted at the Thirty-eighth Annual Congress of the National Society of New England Women. This society went on record as opposed to the extension of the 1934 Trade Agreements Act. They did not advocate protection of any single item or industry, but went the whole way. I ask unanimous consent to have the short resolution inserted in the RECORD at this point in my remarks.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION ADOPTED AT THIRTY-EIGHTH ANNUAL CONGRESS, NATIONAL SOCIETY OF NEW ENGLAND WOMEN, SWAMPSCOTT, MASS., MAY 16-18, 1951

TRADE AGREEMENTS ACT OF 1934 AS EXTENDED

Whereas our great mass production system is the basis of our national defense,

Whereas the Trade Agreements Act of 1934 as extended which expires in June 1951 has, through the so-called reciprocal trade agreements program negotiated by the State Department, removed protection from our workers and investors against the competition of low-paid workers of other nations, thereby gravely injuring various industries in this country and weakening our economy; Therefore be it

Resolved, That the National Society of New England Women urge Congress not to extend the Trade Agreements Act of 1934 as extended, but to reestablish the principle of flexible import fees in keeping with the Constitution of the United States.

Mr. LODGE and Mr. HAYDEN addressed the Chair.

Mr. MALONE. Let me finish my statement, and then I shall be glad to yield to the Senator from Massachusetts.

I will say to the Senator from Idaho that he has placed his finger on the feature that is vital at this moment. Sane men must arrive at a principle; they can no longer sharpshoot; they can no longer be concerned only with the products of Idaho or of California or of Texas. No doubt, there will be an oil-quota amendment before we are through, because oil is produced in the great State of Texas. It is a bad precedent, as long as it is not based on a principle. Some of us will vote for it, because only through some such arrangement can the oil wells be kept running. As soon as we have the peace, for which we all pray, oil will come in without any hindrance from the cheap-labor countries. Then rationing of oil production in Texas will start, and the oil producers will be here to protect their industry, just as the Senator from Florida [Mr. HOLLAND] is trying to protect the industry of his State. All I want to do is to have each individual Senator face the facts and say, "Let us have the principle of fair and reasonable competition laid down for all."

Mr. LANGER. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. LANGER. Is it not true that only a few short months ago every Republican, every Member on this side of the aisle,

voted against a bill which the Democrats brought in having to do with reciprocal trade treaties? Yet the Senator says it is a matter for each individual Senator.

Mr. MALONE. I did not say it was a matter for each individual Senator. I supported the Senator from Idaho in his statement that under the present administration this situation has been brought about.

(At this point Mr. MALONE yielded to Mr. LODGE for a statement with reference to the pending bill and to other Senators for various matters, which, on request of Mr. MALONE, and by unanimous consent, were ordered to be printed at the conclusion of his speech.)

AMENDMENTS DO NOT INTRODUCE ANYTHING NEW

Mr. MALONE. Mr. President, I am opposed to the entire free-trade program of the State Department.

I say again, categorically, that the measure now reported to the Senate by the Finance Committee leaves every decision in the hands of the President and the thoroughly discredited State Department; and in making that statement, I refer to both the so-called peril-point amendment and the so-called escape-clause amendment. Those amendments would not give the President or the Secretary of State one iota of authority less than the authority they already have. Those amendments do not direct either the President or the Secretary of State to do anything that they have not previously been directed to do, except possibly less specifically so. The point is, this bill cannot force them to do anything.

I say again that the bill provides for a convenient cushion for the troubled conscience of any Senator who votes for free trade between our Nation, a Nation of high-living standards, and the lower-standard nations elsewhere in the world, and who votes to divide the markets of the United States with the sweatshop-labor countries elsewhere in the world.

There is no substance to the statement that is necessary to extend for 2 years the power of the Secretary of State and of the State Department and of the President under the 1934 Trade Agreements Act in order that the working men and investors of the United States may obtain relief. Our working men and investors already have been affected adversely by the so-called trade agreements, which really are not trade agreements, but are only treaties to lower tariffs.

ESCAPE CLAUSE COULD BE INCLUDED WITHOUT EXTENSION

Instead of the measure now before us, Mr. President, the Finance Committee could have reported to the Senate a substitute which would contain the escape-clause and would make it applicable to all previous trade agreements, in the same manner as would be done by the bill now before us, but would not propose to extend the 1934 Trade Agreements Act.

THE PRESENT POLICY IS NOT PRO-AMERICAN

Mr. President, the present administration's policy of division of the markets

of the United States with the nations of the rest of the world is well known. As stated many times before committees of Congress, the alleged purpose of that policy is to give to foreign nations enough of our markets so as to make unnecessary the cash gifts we have made in the past by means of UNRRA, the Marshall plan, and the cash gifts which now it is proposed that we make under the so-called point 4 program.

INDUSTRIAL MAP OF UNITED STATES REMADE

Of course, the proposed point 4 program has the added advantage that under that program products made in foreign countries by branches of United States concerns could in many instances be imported into the United States without the payment of income taxes on the profits of those foreign operations.

It is obvious that it is the deliberate intention of the present administration to remake the industrial map of the United States. The administration has been engaged in that program for 18 years, and has extended it to practically all the products of this country, even including clothespins. The administration is pursuing its plan of remaking the industrial map of the United States by means of restricting the operations of many of our industries—for example, the mining industry. Seventy-five percent of the mines in the United States were closed down and a large part of the textile industry was closing down just before the beginning of the so-called police action in Korea which either put our young men back to work or put them into the Armed Forces.

Mr. President, the policy of the administration of remaking the industrial map of the United States results in restrictions on our mining industry, our glass industry, our pottery industry, our petroleum industry, our coal industry, and our precision-instrument industry. Those industries would thus be discriminated against in favor of foreign developments.

The national security of our country is threatened when we are made to depend, in time of emergency, upon the shipment of vitally needed raw materials from nations which are from 1,000 to 3,000 miles removed from our shores.

SUBSTITUTE FOR H. R. 1612

Mr. President, I am offering a substitute for the pending measure. The substitute will do two specific things. First, it will adopt the principle of fair and reasonable competition as a basis for establishing in the United States a market for the goods produced by foreign countries, as contrasted with the sharpshooting methods of the State Department which is deliberately attempting to divide the markets of the United States with the low-wage, low-living standard countries of the rest of the world, on the theory that that will make it unnecessary to make up their trade-balance deficits each year in cash.

My proposal would change that policy, and, instead, would have us proceed on the basis of the principle of fair and reasonable competition. That principle would be administered by a Foreign Trade Authority which would have sufficient latitude to be able to consider all

the factors which affect the need for such an adjustment.

In the second place, my substitute would change the present long-experienced Tariff Commission into a Foreign Trade Authority. The new name would more correctly indicate the job that organization would be doing. The Foreign Trade Authority thus established would have, in regard to the fixing of tariffs and import fees on the principle of fair and reasonable competition, the same latitude that the Interstate Commerce Commission has had for many years in regard to fixing freight rates for the common carriers on the basis of a reasonable return on their investments. In other words, Mr. President, my proposal would do away with the horse trading and sharpshooting and the logrolling and practically all the complaints which are offered in regard to the trade agreements made under the 1934 Trade Agreements Act.

ESTABLISHMENT OF FREE TRADE BY MANY DIFFERENT METHODS

Again I call attention to the fact that many of the proposed legislative acts which have come before the Congress—coming in from different directions and by means of different gates—have a common objective. However, few persons connect the Marshall plan, the point 4, and the other trick plans for making gift loans with the free-trade program to divide the markets of the United States with the other nations of the world, as initiated under the 1934 Trade Agreements Act.

THE ITO IS NOT DEAD

Few persons connect free trade with the International Trade Organization proposal, which now has been denounced by the State Department, because GATT had already adopted commercial policy chapter, chapter 4, of the International Trade Organization Charter. Chapter 4 of the ITO Charter is really a partial substitute for the ITO itself, and therefore representatives of the administration informed the Finance Committee that they would no longer push for our participation in the International Trade Organization.

So, under GATT, we adopted the important commercial policy provisions of the ITO, and notice is served on Congress, through a public statement, that legislation will be presented from time to time to make it entirely effective.

Yesterday, on the Senate floor, the junior Senator from Nevada explained the customs simplification bill, which is proposed and which is before the Congress at this moment. It was introduced last year, in the Eighty-first Congress, and revived now in the Eighty-second Congress, with six sleepers in it, all designed for what purpose? To complete the job of making the International Trade Organization almost completely effective. In turn, what does it do? It ties the hands of the sovereign United States in regard to many commercial policy matters. And all this was brought about when the Congress passed the 1934 Trade Agreements Act and thereby gave up its responsibility over the tariffs and the regulation of the foreign trade of the United States. The Congress surrendered this responsibility

without referring it to the people for a vote, and surrendered its authority to the Executive.

Under the 1934 Trade Agreements Act, Congress transferred that responsibility to the Executive Department. The President already having authority, under the Constitution, to fix foreign policy, it left nothing for the Congress to do except to make appropriations.

Under the ITO and under the commercial chapter policy—a chapter, now, in lieu of ITO—and with the six sleepers in the proposal now before the Congress, in regard to customs changes, complete the job, the effective transfer of the regulation of the foreign trade of this Nation from the Executive Department, where Congress put it, to an international tribunal, is completed. So I am calling attention to the different gates through which the interested parties come to the Senate and to the House of Representatives to complete a job which will end ultimately in the complete socialization and nationalization of private property within this country.

UNCONTROLLED INFLATION

We hear much debate about inflation. The President, we are led to believe, is lying awake at night worrying about inflation, but few people connect the removal of the metal base of our monetary system with the current inflation. We may as well cut the string of a toy balloon and then complain because it rises, as to cut the string, so to speak, tying the printed money to the metal base in this country, an authority which Congress deliberately gave to a President of the United States to do. The legislation was passed by the Senate. The administration should then and there have known, and they no doubt did know, that inflation was inevitable.

What was wanted, I suppose, was to have more money in the Government's pockets so that it might be able to give more money to everyone, while continuing to hold prices and the value of money at the former levels. Unfortunately, that is not the way it operates. It is as if someone were trying to support free trade, in order to help foreign nations make up their trade-balance deficits, while at the same time supporting a tariff to protect the workingmen and investors of this country. One might as well try to be on both sides of a barbed wire fence at one time. One cannot be on both sides of it. One can be on either side that he chooses, but he cannot be on both sides.

SMALL BUSINESS BEING ELIMINATED

Yesterday I read into the RECORD a letter from the Senator from Alabama [Mr. SPARKMAN], a man of estimable character, and a good Senator. In his letter he complains to me that small business, supposedly at the height of the prosperity of this Nation as the result of the arming of the Nation, with more contracts being let than it is possible to fulfill, is suffering because it does not get the work.

Few people connect the gradual destruction of the small business of the country with the free-trade program.

Free trade for this Nation means that the large business organizations and aggregations of capital go behind the low-wage curtain in the foreign nations of the world, where they take over the markets of those nations from the small business concerns located therein, and also from the small business concerns located in this country, that have to some extent a foreign market for their goods. The large aggregations of capital take that market.

Small business in this country no longer has a market in the foreign nations, except temporarily and until such time as industries can be started in those nations. But in addition to that, the large business organizations not only take the markets there, and saturate those markets, but, under free trade, they then bring their manufactures back into this country, goods which are produced by the sweatshop labor of Europe and Asia, to displace the small-business man.

The Senator from Alabama [Mr. SPARKMAN] may take either side of this question he desires. If he wants to favor free trade, he should not complain about the small business of this country going down the drain, which is where it is going. There is no place for small business under a free-trade program, with large aggregations of capital allowed to go into the foreign countries, to export their products to those countries and to bring back into this country the products of those countries, produced by low-wage labor with the same machinery and under the same direction, when, hour for hour, factories abroad can produce as much as can be produced in our country, and at a lower cost. A man who can vote for this bill need not complain of the destruction of small business in this country.

I am for large aggregations of capital in this country. They are necessary to the carrying on of proper production, but I am also for enforcement of the Sherman Anti-trust law. I am also for protection of the wage earner and investor in this country, upon a fair and reasonable competitive basis.

The complaint of the Senator from Alabama is that, at the height of the emergency, small business institutions are not prospering, and that, because of a lack of work, directly traceable to free trade, the Marshall Plan, and the Point 4 program of the administration, the opportunity for small business in this country to succeed is gradually lessening and disappearing.

UN CHARTER OUTLAWS OUR CONSTITUTION

It has been noted that by reason of the United Nations Charter a California judge held a California land-holding law to be void.

Mr. President, in that connection, it happens that this morning there appeared an editorial in the Washington Times-Herald which is very interesting. It is entitled "Treaties Threatening Domestic Law."

I wonder how many persons have thought of the circumstance that treaties come before the Senate for a majority vote nowadays, by calling it by a different name. It used to take a two-thirds vote of the Senate to ratify a

treaty, and a treaty could not be ratified otherwise. Treaties now come before Congress for a majority vote, by calling them agreements. Under the 1934 Trade Agreements Act, we have the spectacle of trade treaties being made, although officially they are executive agreements. It is not just a "happenstance" that we are ruining our economy; we are deliberately doing it. Every 3 years we extend the Trade Agreements Act, and the Congress washes its hands of it until the next time. It has been extended every time it came up for extension since 1934.

What has happened to the Congress of the United States? In my opinion, Congress has come to the point where it wants other people to take its responsibility. I would not go so far as to say Members are mentally lazy, but they have come to the point where they will transfer their authority at the least beckoning of an Executive who has already announced that he wants to give the country's markets away. The least the Senate could do would be to go on record by taking back from the incompetent State Department the authority to give away our markets, the basis of our income, and to destroy utterly the workingmen and investors of this Nation.

Mr. President, the editorial to which I have referred reads, in part, as follows:

Because California has had an unfortunate experience with the United Nations members of the State's legislature are seeking an amendment to the Federal Constitution specifying that the sovereignty of the National Government and of the 48 States "shall not be abolished or altered by any treaty or Executive agreement."

The proposed amendment is similar in purpose to one which the American Bar Association's committee on peace and law has taken under consideration. The amendment under study would provide that no treaty should become the supreme law of the land except to the extent that Congress thereafter passed specific laws to make it so.

Mr. President, some of our States and the American Bar Association have come to the point where they do not trust Congress to exercise its judgment in the matter of treaties which violate not only economic laws but other conditions that go to the well being of this Nation. In other words, they do not trust the judgment of the United States Senate. That is one of the greatest condemnations, in my opinion, that could possibly be visited on a Congress.

I ask unanimous consent to have included in the RECORD at this point the editorial from which I read two brief paragraphs.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TREATIES THREATENING DOMESTIC LAW

Because California has had an unfortunate experience with the United Nations, members of the State's legislature are seeking an amendment to the Federal Constitution specifying that the sovereignty of the National Government and of the 48 States "shall not be abolished or altered by any treaty or executive agreement."

The proposed amendment is similar in purpose to one which the American Bar Association's committee on peace and law has taken under consideration. The amendment under study would provide that no

treaty should become the supreme law of the land except to the extent that Congress thereafter passed specific laws to make it so.

TREATIES VERSUS UNITED STATES LAW

California's difficulties arose because of the existence of the constitutional provision that treaties shall be the supreme law, anything in the Constitution or laws of any State to the contrary notwithstanding. Some eager beavers on the Court of Appeals in California seized on this pretext in a case affecting alien land tenure to decree that any State law of California must yield to any statement conflicting with it which could be found in the United States charter or even in such pronouncements as the UN declaration of human rights.

The court contended that even pious statements in the UN Charter outlining what were considered to be desirable, if largely unrealizable, conditions were binding upon any State ratifying the Charter. It adopted a like attitude with reference to the declaration of human rights, which is admittedly a mere statement of aims and aspirations, and not of legal obligation, and has never been submitted to the Senate for approval.

Because the California decision made clear that there is a real danger to American law and institutions, the State legislature decided that the safest method of foreclosing further usurpations of domestic rights was by constitutional amendment. This decision was taken even though there is an excellent possibility that the court of appeals decision will be thrown out upon review.

CLOSE THE DOOR

We subscribe to the belief that the best insurance against a danger of this kind is to close the constitutional door by passage of an amendment which will allow no legal quibble. The American Constitution, unlike all others, says that treaties are the "supreme law." Internationalist zealots and weak-minded courts will always be willing to try to abuse the opportunity thus afforded to subordinate the Constitution and domestic law to international authority and thus undermine the Republic.

The issue might be thought to have been settled once and for all in the decision of the Supreme Court in the Cherokee tobacco case in 1870. This case concerned a controversy over whether the internal revenue law applied to tobacco manufactured in Indian territory. The Cherokees contended that they were exempt under their treaty of 1866 with the Federal Government.

"It need hardly be said," stated Justice Swayne in his decision for the court, "that a treaty cannot change the Constitution or be held valid if it be in violation of that instrument."

While this principle may still apply, despite the subsequent interpretations of the applications of the treaty clause, Justice Swayne pointed out that there will always be a twilight zone: "The effects of treaties and acts of Congress, when in conflict, is not settled by the Constitution * * * A treaty may supersede a prior act of Congress, and an act of Congress may supersede a prior treaty."

As long as this condition obtains, domestic law will remain in jeopardy of the caprice of courts. An amendment to the Constitution, drawn in clear and unequivocal terms, can forever bar this threat to our sovereignty.

Mr. MALONE. Mr. President, the bill upon which we are about to vote and which was brought to the Senate floor from the distinguished Senate Finance Committee, also threatens the well being of the people of the United States.

I ask unanimous consent to have included in the RECORD at this point chap-

ter IV, the commercial policy chapter of the International Trade Organization, which has been on the "must" list for the past 3 years. Now the President of the United States and the State Department have decided that, through the adoption of the commercial policy chapter of the ITO which I have asked unanimous consent to have included in the RECORD at this time for the ready reference of Senators, and through various bills, such as the customs simplification bill to bring the United States into the ITO through the back door. We do occasionally get a warning that the State Department will from time to time propose legislation to complete it. I invite the attention of the Senate to this back-door method of the State Department and the administration in completing an organization which the Secretary of State testified before the Senate Finance Committee he did not intend again to bring before the Senate.

There being no objection, the document was ordered to be printed in the RECORD, as follows:

CHAPTER IV. COMMERCIAL POLICY

SECTION A. TARIFFS, PREFERENCES, AND INTERNATIONAL TAXATION AND REGULATIONS

Article 16. General most-favored-nation treatment

1. With respect to customs duties and charges of any kind imposed on or in connection with importation or exportation or imposed on the international transfer of payments for imports or exports, and with respect to the method of levying such duties and charges, and with respect to all rules and formalities in connection with importation and exportation, and with respect to all matters within the scope of paragraphs 2 and 4 of article 18, any advantage, favor, privilege, or immunity granted by any member to any product originating in or destined for any other country shall be accorded immediately and unconditionally to the like product originating in or destined for all other member countries.

2. The provisions of paragraph 1 shall not require the elimination, except as provided in article 17, of any preferences in respect of import duties or charges which do not exceed the margins provided for in paragraph 4 and which fall within the following descriptions:

(a) preferences in force exclusively between two or more of the territories listed in Annex A, subject to the conditions set forth therein;

(b) preferences in force exclusively between two or more territories which on July 1, 1939, were connected by common sovereignty or relations of protection or suzerainty any which are listed in annexes B, C, D, and E;

(c) preferences in force exclusively between the United States of America and the Republic of Cuba;

(e) preferences in force exclusively between the Republic of the Philippines and the United States of America, including the dependent territories of the latter;

(e) preferences in force exclusively between neighboring countries listed in Annexes F, G, H, I, and J.

3. The provisions of paragraph 1 shall not apply to preferences between the countries formerly a part of the Ottoman Empire and detached from it on July 24, 1923, provided such preferences fulfill the applicable requirements of article 15.

4. The margin of preference on any product in respect of which a preference is permitted under paragraph 2 shall not exceed

(a) the maximum margin provided for under the General Agreement on Tariffs and Trade or any subsequent operative agreement resulting from negotiations under article 17, or (b) if not provided for under such agreements, the margin existing either on April 10, 1947, or on any earlier date established for a member as a basis for negotiating the General Agreement on Tariffs and Trade, at the option of such member.

5. The imposition of a margin of tariff preference not in excess of the amount necessary to compensate for the elimination of a margin of preference in an internal tax existing on April 10, 1947, exclusively between two or more of the territories in respect of which preferential import duties or charges are permitted under paragraph 2, shall not be deemed to be contrary to the provisions of this article, it being understood that any such margin of tariff preference shall be subject to the provisions of article 17.

Article 17. Reduction of tariffs and elimination of preferences

1. Each member shall, upon the request of any other member or members, and subject to procedural arrangements established by the Organization, enter into and carry out with such other member or members negotiations directed to the substantial reduction of the general levels of tariffs and other charges on imports and exports, and to the elimination of the preferences referred to in paragraph 2 of article 16, on a reciprocal and mutually advantageous basis.

2. The negotiations provided for in paragraph 1 shall proceed in accordance with the following rules:

(a) Such negotiations shall be conducted on a selective product-by-product basis which will afford adequate opportunity to take into account the needs of individual countries and individual industries. Members shall be free not to grant concessions on particular products and, in the granting of a concession, they may reduce the duty, bind it at its then-existing level, or undertake not to raise it above a specified higher level.

(b) No member shall be required to grant unilateral concessions, or to grant concessions to other members without receiving adequate concessions in return. Account shall be taken of the value to any member of obtaining in its own right and by direct obligation the indirect concessions which it would otherwise enjoy only by virtue of article 16.

(c) In negotiations relating to any specific product with respect to which a preference applies—

(i) when a reduction is negotiated only in the most-favored-nation rate, such reduction shall operate automatically to reduce or eliminate the margin of preference applicable to that product;

(ii) when a reduction is negotiated only in the preferential rate, the most-favored-nation rate shall automatically be reduced to the extent of such reduction;

(iii) when it is agreed that reductions will be negotiated in both the most-favored-nation rate and the preferential rate, the reduction in each shall be that agreed by the parties to the negotiations;

(iv) no margin of preference shall be increased.

(d) The binding against increase of low duties or of duty-free treatment shall in principle be recognized as a concession equivalent in value to the substantial reduction of high duties or the elimination of tariff preferences.

(e) Prior international obligations shall not be invoked to frustrate the requirement under paragraph 1 to negotiate with respect to preferences, it being understood that agreements which result from such nego-

tations and which conflict with such obligations shall not require the modification or termination of such obligations except (i) with the consent of the parties to such obligations, or, in the absence of such consent, (ii) by modification or termination of such obligations in accordance with their terms.

3. The negotiations leading to the General Agreement on Tariffs and Trade, concluded at Geneva on October 30, 1947, shall be deemed to be negotiations pursuant to this article. The concessions agreed upon as a result of all other negotiations completed by a member pursuant to this article shall be incorporated in the general agreement on terms to be agreed with the parties thereto. If any member enters into any agreement relating to tariffs or preferences which is not concluded pursuant to this article, the negotiations leading to such agreement shall nevertheless conform to the requirements of paragraph 2 (c).

4. (a) The provisions of article 16 shall not prevent the operation of paragraph 5 (b) of article XXV of the General Agreement on Tariffs and Trade, as amended at the first session of the contracting parties.

(b) If a member has failed to become a contracting party to the general agreement within two years from the entry into force of this charter with respect to such member, the provisions of article 16 shall cease to require, at the end of that period, the application to the trade of such member country of the concessions granted in the appropriate schedule annexed to the general agreement by another member which has requested the first member to negotiate with a view to becoming a contracting party to the general agreement but has not successfully concluded negotiations: *Provided*, That the organization may, by a majority of the votes cast, require the continued application of such concessions to the trade of any member country which has been unreasonably prevented from becoming a contracting party to the general agreement pursuant to negotiations in accordance with the provisions of this article.

(c) If a member which is a contracting party to the general agreement proposes to withhold tariff concessions from the trade of a member country which is not a contracting party, it shall give notice in writing to the organization and to the affected member. The latter member may request the organization to require the continuance of such concessions, and if such a request has been made the tariff concession shall not be withheld pending a decision by the organization under the provisions of subparagraph (b) of this paragraph.

(d) In any determination whether a member has been unreasonably prevented from becoming a contracting party to the general agreement, and in any determination under the provisions of chapter VIII whether a member has failed without sufficient justification to fulfill its obligations under paragraph 1 of this article, the Organization shall have regard to all relevant circumstances, including the developmental, reconstruction and other needs, and the general fiscal structures, of the member countries concerned and to the provisions of the charter as a whole.

(e) If such concessions are in fact withheld, so as to result in the application to the trade of a member country of duties higher than would otherwise have been applicable, such member shall then be free, within 60 days after such action becomes effective, to give written notice of withdrawal from the Organization. The withdrawal shall become effective upon the expiration of 60 days from the day on which such notice is received by the director general.

Article 18. National treatment on internal taxation and regulation

1. The members recognize that internal taxes and other internal charges, and laws, regulations, and requirements affecting the internal sale, offering for sale, purchase, transportation, distribution or use of products, and internal quantitative regulations requiring the mixture, processing or use of products in specified amounts or proportions, should not be applied to imported or domestic products so as to afford protection to domestic production.

2. The products of any member country imported into any other member country shall not be subject, directly or indirectly, to internal taxes or other internal charges of any kind in excess of those applied, directly or indirectly, to like domestic products. Moreover, no member shall otherwise apply internal taxes or other internal charges to imported or domestic products in a manner contrary to the principles set forth in paragraph 1.

3. With respect to any existing internal tax which is inconsistent with the provisions of paragraph 2 but which is specifically authorized under a trade agreement, in force on April 10, 1947, in which the import duty on the taxed product is bound against increase, the member imposing the tax shall be free to postpone the application of the provisions of paragraph 2 to such tax until such time as it can obtain release from the obligations of such trade agreement in order to permit the increase of such duty to the extent necessary to compensate for the elimination of the protective element of the tax.

4. The products of any member country imported into any other member country shall be accorded treatment no less favorable than that accorded to like products of national origin in respect of all laws, regulations, and requirements affecting their internal sale, offering for sale, purchase, transportation, distribution or use. The provision of this paragraph shall not prevent the application of differential internal transportation charges which are based exclusively on the economic operation of the means of transport and not on the nationality of the product.

5. No member shall establish or maintain any internal quantitative regulation relating to the mixture, processing or use of products in specified amounts or proportions which requires, directly or indirectly, that any specified amount or proportion of any product which is the subject of the regulation must be supplied from domestic sources. Moreover, no member shall otherwise apply internal quantitative regulations in a manner contrary to the principles set forth in paragraph 1.

6. The provisions of paragraph 5 shall not apply to any internal quantitative regulation in force in any member country on July 1, 1939, April 10, 1947, or on the date of this Charter, at the option of that member: *Provided*, That any such regulation which is contrary to the provisions of paragraph 5 shall not be modified to the detriment of imports and shall be subject to the negotiation and shall accordingly be treated as a customs duty for the purposes of article 17.

7. No internal quantitative regulation relating to the mixture, processing or use of products in specified amounts or proportions shall be applied in such a manner as to allocate any such amount or proportion among external sources of supply.

8. (a) The provisions of this article shall not apply to laws, regulations or requirements governing the procurement by governmental agencies of products purchased for governmental purposes and not with a view to commercial resale or with a view to use in the production of goods for commercial sale.

(b) The provisions of this article shall not prevent the payment of subsidies exclusively to domestic producers, including payments to domestic producers derived from the proceeds of internal taxes or charges applied consistently with provisions of this article and subsidies effected through governmental purchases of domestic products.

9. The members recognize that internal maximum price control measures, even though conforming to the other provisions of this article, can have effects prejudicial to the interests of member countries supplying imported products. Accordingly, members applying such measures shall take account of the interests of exporting member countries with a view to avoiding to the fullest practicable extent such prejudicial effects.

Article 19. Special provisions relating to cinematograph films

The provisions of article 18 shall not prevent any member from establishing or maintaining internal quantitative regulations relating to exposed cinematograph films. Any such regulations shall take the form of screen quotas which shall conform to the following conditions and requirements:

(a) Screen quotas may require the exhibition of cinematograph films of national origin during a specified minimum proportion of the total screen time actually utilized over a specified period of not less than 1 year, in the commercial exhibition of all films of whatever origin, and shall be computed on the basis of screen time per theater per year or the equivalent thereof.

(b) With the exception of screen time reserved for films of national origin under a screen quota, screen time, including screen time released by administrative action from time reserved for films of national origin, shall not be allocated formally or in effect among sources of supply.

(c) Notwithstanding the provisions of subparagraph (b) any member may maintain screen quotas conforming to the requirements of subparagraph (a) which reserve a minimum proportion of screen time for films of a specified origin other than that of the member imposing such screen quotas: *Provided*, That such minimum proportion of screen time shall not be increased above the level in effect on April 10, 1947.

(d) Screen quotas shall be subject to negotiation and shall accordingly be treated as customs duties for the purposes of article 17.

SECTION B. QUANTITATIVE RESTRICTIONS AND RELATED EXCHANGE MATTERS

Article 20. General elimination of quantitative restrictions

1. No prohibitions or restrictions other than duties, taxes or other charges, whether made effective through quotas, import or export licences or other measures, shall be instituted or maintained by any member on the importation of any product of any other member country or on the exportation or sale for export or any product destined for any other member country.

2. The provisions of paragraph 1 shall not extend to the following:

(a) Export prohibitions or restrictions applied for the period necessary to prevent or relieve critical shortages of foodstuffs or other products essential to the exporting member country;

(b) Import and export prohibitions or restrictions necessary to the application of standards or regulation for the classification, grading or marketing of commodities in international trade; if, in the opinion of the organization, the standards or regulations adopted by a member under this subparagraph have an unduly restrictive effect on trade, the organization may request the member to revise the standards or regula-

tions: *Provided*, That it shall not request the revision of standards internationally agreed pursuant to recommendations made under paragraph 7 of article 39;

(c) Import restrictions on any agricultural or fisheries product, imported in any form, necessary to the enforcement of governmental measures which operate effectively—

(i) to restrict the quantities of the like domestic product permitted to be marketed or produced, or, if there is no substantial domestic production of the like product, of a domestic agricultural or fisheries product for which the imported product can be directly substituted; or

(ii) to remove a temporary surplus of the like domestic product, or, if there is no substantial domestic production of the like product, of a domestic agricultural or fisheries product for which the imported product can be directly substituted by making the surplus available to certain groups of domestic consumers free of charge or at prices below the current market level; or

(iii) to restrict the quantities permitted to be produced of any animal product the production of which is directly dependent, wholly or mainly, on the imported commodity, if the domestic production of that commodity is relatively negligible.

3. With regard to import restrictions applied under the provisions of paragraph 2 (c):

(a) such restrictions shall be applied only so long as the governmental measures referred to in paragraph 2 (c) are in force, and, when applied to the import of products of which domestic supplies are available during only a part of the year, shall not be applied in such a way as to prevent their import in quantities sufficient to satisfy demand for current consumption purposes during those periods of the year when like domestic products, or domestic products for which the imported product can be directly substituted, are not available;

(b) any Member intending to introduce restrictions on the importation of any product shall, in order to avoid unnecessary damage to the interests of exporting countries, give notice in writing as far in advance as practicable to the Organization and to members having a substantial interest in supplying that product, in order to afford such members adequate opportunity for consultation in accordance with the provisions of paragraphs 2 (d) and 4 of article 22, before the restrictions enter into force. At the request of the importing member concerned, the notification and any information disclosed during the consultations shall be kept strictly confidential;

(c) any member applying such restrictions shall give public notice of the total quantity or value of the product permitted to be imported during a specified future period and of any change in such quantity or value;

(d) any restrictions applied under paragraph 2 (c) (i) shall not be such as will reduce the total of imports relative to the total of domestic production, as compared with the proportion which might reasonably be expected to rule between the two in the absence of restrictions. In determining this proportion, the member applying the restrictions shall pay due regard to the proportion prevailing during a previous representative period and to any special factors which may have affected or may be affecting the trade in the product concerned.

4. Throughout this section the terms "import restrictions" and "export restrictions" include restrictions made effective through state-trading operations.

Article 21. Restrictions to safeguard the balance of payments

1. The members recognize that—

(a) it is primarily the responsibility of each member to safeguard its external financial position and to achieve and maintain

stable equilibrium in its balance of payments.

(b) an adverse balance of payments of one member country may have important effects on the trade and balance of payments of other member countries, if it results in, or may lead to, the imposition by the member of restrictions affecting international trade;

(c) the balance of payments of each member country is of concern to other members, and therefore it is desirable that the organization should promote consultations among members and, where possible, agreed action consistent with this charter for the purpose of correcting a maladjustment in the balance of payments; and

(d) action taken to restore stable equilibrium in the balance of payments should, so far as the member or members concerned find possible, employ methods which expand rather than contract international trade.

2. Notwithstanding the provisions of paragraph 1 of article 20, any member, in order to safeguard its external financial position and balance of payments, may restrict the quantity or value of merchandise permitted to be imported, subject to the provisions of the following paragraphs of this article.

3. (a) No member shall institute, maintain, or intensify import restrictions under this article except to the extent necessary—

(i) to forestall the imminent threat of, or to stop, a serious decline in its monetary reserves, or

(ii) in the case of a member with very low monetary reserves, to achieve a reasonable rate of increase in its reserves.

Due regard shall be paid in either case to any special factors which may be affecting the Member's reserves or need for reserves, including, where special external credits or other resources are available to it, the need to provide for the appropriate use of such credits or resources.

(b) A member applying restrictions under subparagraph (a) shall progressively relax and ultimately eliminate them, in accordance with the provisions of that subparagraph, as its external financial position improves. This provision shall not be interpreted to mean that a member is required to relax or remove such restrictions if that relaxation or removal would thereupon produce conditions justifying the intensification or institution, respectively, of restrictions under subparagraph (a).

(c) Members undertake—

(i) not to apply restrictions so as to prevent unreasonably the importation of any description of merchandise in minimum commercial quantities the exclusion of which would impair regular channels of trade, or restrictions which would prevent the importation of commercial samples or prevent the importation of such minimum quantities of a product as may be necessary to obtain and maintain patent, trade-mark, copyright, or similar rights under industrial or intellectual property laws;

(ii) to apply restrictions under this article in such a way as to avoid unnecessary damage to the commercial or economic interests of any other member, including interests under articles 3 and 9.

4. (a) The members recognize that in the early years of the organization all of them will be confronted in varying degrees with problems of economic adjustment resulting from the war. During this period the organization shall, when required to take decisions, under this article or under article 23, take full account of the difficulties of post-war adjustment and of the need which a member may have to use import restrictions as a step toward the restoration of equilibrium in its balance of payments on a sound and lasting basis.

(b) The members recognize that, as a result of domestic policies directed toward the fulfillment of a member's obligations under article 3 relating to the achievement and

maintenance of full and productive employment and large and steadily growing demand, or its obligations under article 9 relating to the reconstruction or development of industrial and other economic resources and to the raising of standards of productivity, such a member may find that demands for foreign exchange on account of imports and other current payments are absorbing the foreign exchange resources currently available to it in such a manner as to exercise pressure on its monetary reserves which would justify the institution or maintenance of restrictions under paragraph 3 of this article. Accordingly,

(i) No member shall be required to withdraw or modify restrictions which it is applying under this article on the ground that a change in such policies would render these restrictions unnecessary;

(ii) Any member applying import restrictions under this article may determine the incidence of the restrictions on imports of different products or classes of products in such a way as to give priority to the importation of those products which are more essential in the light of such policies.

(c) Members undertake, in carrying out their domestic policies, to pay due regard to the need for restoring equilibrium in their balance of payments on a sound and lasting basis and to the desirability of assuring an economic employment of productive resources.

5. (a) Any member which is not applying restrictions under this article, but is considering the need to do so, shall, before instituting such restrictions (or, in circumstances in which prior consultation is impracticable, immediately after doing so), consult with the organization as to the nature of its balance-of-payments difficulties, alternative corrective measures which may be available, and the possible effect of such measures on the economies of other members. No member shall be required in the course of consultations under this subparagraph to indicate in advance the choice or timing of any particular measure which it may ultimately determine to adopt.

(b) The organization may at any time invite any member which is applying import restrictions under this article to enter into such consultations with it, and shall invite any member substantially intensifying such restrictions to consult within 30 days. A member thus invited shall participate in the consultations. The organization may invite any other member to take part in the consultations. Not later than 2 years from the day on which this charter enters into force, the organization shall review all restrictions existing on that day and still applied under this article at the time of the review.

(c) Any member may consult with the organization with a view to obtaining the prior approval of the organization for restrictions which the member proposes, under this article, to maintain, intensify or institute, or for the maintenance, intensification or institution of restrictions under specified future conditions. As a result of such consultations, the organization may approve in advance the maintenance, intensification or institution of restrictions by the member in question insofar as the general extent, degree of intensity, and duration of the restrictions are concerned. To the extent to which such approval has been given, the requirements of subparagraph (a) of this paragraph shall be deemed to have been fulfilled, and the action of the member applying the restrictions shall not be open to challenge under subparagraph (d) of this paragraph on the ground that such action is inconsistent with the provisions of subparagraphs (a) and (b) of paragraph 3.

(d) Any member which considers that another member is applying restrictions un-

der this article inconsistently with the provisions of paragraph 3 or 4 of this article or with those of article 22 (subject to the provisions of art. 23) may bring the matter to the Organization for discussion; and the member applying the restrictions shall participate in the discussion. If, on the basis of the case presented by the member initiating the procedure, it appears to the Organization that the trade of that member is adversely affected, the Organization shall submit its views to the parties with the aim of achieving a settlement of the matter in question which is satisfactory to the parties and to the Organization. If no such settlement is reached and if the Organization determines that the restrictions are being applied inconsistently with the provisions of paragraphs 3 or 4 of this article or with those of article 22 (subject to the provisions of art. 23), the Organization shall recommend the withdrawal or modification of the restrictions. If the restrictions are not withdrawn or modified in accordance with the recommendation of the Organization within 60 days, the Organization may release any member from specified obligations or concessions under or pursuant to this charter toward the member applying the restrictions.

(c) In consultations between a member and the Organization under this paragraph there shall be full and free discussion as to the various causes and the nature of the member's balance-of-payments difficulties. It is recognized that premature disclosure of the prospective application, withdrawal or modification of any restrictions under this article might stimulate speculative trade and financial movements which would tend to defeat the purposes of this article. Accordingly, the Organization shall make provision for the observance of the utmost secrecy in the conduct of any consultation.

6. If there is a persistent and widespread application of import restrictions under this article, indicating the existence of a general disequilibrium which is restricting international trade, the Organization shall initiate discussions to consider whether other measures might be taken, either by those members whose balances of payments are under pressure or by those members whose balances of payments are tending to be exceptionally favorable, or by any appropriate intergovernmental organization, to remove the underlying causes of the disequilibrium. On the invitation of the Organization, members shall participate in such discussions.

Article 22. Nondiscriminatory administration of quantitative restrictions

1. No prohibition or restriction shall be applied by any member on the importation of any product of any other member country or on the exportation of any product destined for any other member country, unless the importation of the like product of all third countries or the exportation of the like product to all third countries is similarly prohibited or restricted.

2. In applying import restrictions to any product, members shall aim at a distribution of trade in such product approaching as closely as possible to the shares which the various member countries might be expected to obtain in the absence of such restrictions, and to this end shall observe the following provisions:

(a) Wherever practicable, quotas representing the total amount of permitted imports (whether allocated among supplying countries or not) shall be fixed, and notice given of their amount in accordance with paragraph 3 (b);

(b) In cases in which quotas are not practicable, the restrictions may be applied by means of import licenses or permits without a quota;

(c) Members shall not accept for purchases of operating quotas allocated in accordance with subparagraph (d) of this paragraph,

require that import licenses or permits be utilized for the importation of the product concerned from a particular country or source;

(d) in cases in which a quota is allocated among supplying countries, the member applying the restrictions may seek agreement with respect to the allocation of shares in the quota with all other members having a substantial interest in supplying the product concerned. In cases in which this method is not reasonably practicable, the member concerned shall allot to member countries having a substantial interest in supplying the product shares of the total quantity or value of imports of the product based upon the proportions supplied by such member countries during a previous representative period, due account being taken of any special factors which may have affected or may be affecting the trade in the product. No conditions or formalities shall be imposed which would prevent any member country from utilizing fully the share of any such total quantity or value which has been allotted to it, subject to importation being made within any prescribed period to which the quota may relate.

3. (a) In the case of import restrictions involving the granting of import licenses, the member applying the restrictions shall provide, upon the request of any member having an interest in the trade in the product concerned, all relevant information concerning the administration of the restrictions, the import licenses granted over a recent period and the distribution of such licenses among supplying countries: *Provided*, That there shall be no obligation to supply information as to the names of importing or supplying enterprises.

(b) In the case of import restrictions involving the fixing of quotas, the member applying the restrictions shall give public notice of the total quantity or value of the product or products which will be permitted to be imported during a specified future period and of any change in such quantity or value. Any supplies of the product in question which were en route at the time at which public notice was given shall not be excluded from entry; *Provided* that they may be counted, so far as practicable, against the quantity permitted to be imported in the period in question, and also, where necessary, against the quantities permitted to be imported in the next following period or periods, and *Provided further* that if any member customarily exempts from such restrictions products entered for consumption or withdrawn from warehouse for consumption during a period of 30 days after the day of such public notice, such practice shall be considered full compliance with this subparagraph.

(c) In the case of quotas allocated among supplying countries, the member applying the restrictions shall promptly inform all other members having an interest in supplying the product concerned of the shares in the quota currently allocated, by quantity or value, to the various supplying countries and shall give public notice thereof.

(d) If the organization finds, upon the request of a member, that the interests of that member would be seriously prejudiced by giving, in regard to certain products, the public notice required under subparagraphs (b) and (c) of this paragraph, by reason of the fact that a large part of its imports of such products is supplied by nonmember countries, the organization shall release the member from compliance with the obligations in question to the extent and for such time as it finds necessary to prevent such prejudice. Any request made by a member pursuant to this subparagraph shall be acted upon promptly by the organization.

4. With regard to restrictions applied in accordance with the provisions of paragraph 2 (d) of this article or under the provisions

of paragraph 2 (c) of article 20, the selection of a representative period for any product and the appraisal of any special factors affecting the trade in the product shall be made initially by the member applying the restrictions; *Provided* that such member shall, upon the request of any other member having a substantial interest in supplying that product, or upon the request of the organization, consult promptly with the other member or the organization regarding the need for an adjustment of the proportion determined or of the base period selected, or for the reappraisal of the special factors involved, or for the elimination of conditions, formalities or any other provisions established unilaterally with regard to the allocation of an adequate quota or its unrestricted utilization.

5. The provisions of this article shall apply to any tariff quota instituted or maintained by any member and, insofar as applicable, the principles of this article shall also extend to export restrictions.

Article 23. Exceptions to the rule of non-discrimination

1. (a) The members recognize that the aftermath of the war has brought difficult problems of economic adjustment which do not permit the immediate full achievement of nondiscriminatory administration of quantitative restrictions and therefore require the exceptional transitional period arrangements set forth in this paragraph.

(b) A member which applies restrictions under article 21 may, in the use of such restrictions, deviate from the provisions of article 22 in a manner having equivalent effect to restrictions on payments and transfers for current international transactions which that member may at that time apply under article XIV of the articles of agreement of the International Monetary Fund, or under an analogous provision of a special exchange agreement entered into pursuant to paragraph 6 of article 24.

(c) A member which is applying restrictions under article 21 and which on March 1, 1948, was applying import restrictions to safeguard its balance of payments in a manner which deviated from the rules of nondiscrimination set forth in article 22 may, to the extent that such deviation would not have been authorized on that date by subparagraph (b), continue so to deviate, and may adapt such deviation to changing circumstances.

(d) Any member which before July 1, 1948, has signed the Protocol of Provisional Application agreed upon at Geneva on October 30, 1947, and which by such signature has provisionally accepted the principles of paragraph 1 of article 23 of the Draft Charter submitted to the United Nations Conference on Trade and Employment by the Preparatory Committee, may elect, by written notice to the Interim Commission of the International Trade Organization or to the Organization before January 1, 1949, to be governed by the provisions of annex K of this Charter, which embodies such principles, in lieu of the provisions of subparagraphs (b) and (c) of this paragraph. The provisions of subparagraphs (b) and (c) shall not be applicable to members which have so elected to be governed by the provisions of annex K; and conversely, the provisions of annex K shall not be applicable to members which have not so elected.

(e) The policies applied in the use of import restrictions under subparagraphs (b) and (c) or under annex K in the postwar transitional period shall be designed to promote the maximum development of multilateral trade possible during that period and to expedite the attainment of a balance-of-payments position which will no longer require resort to the provisions of article 21 or to transitional exchange arrangements.

(f) A member may deviate from the provisions of article 22, pursuant to subparagraph (b) or (c) of this paragraph or pursuant to annex K, only so long as it is availing itself of the postwar transitional period arrangements under article XIV of the articles of agreement of the International Monetary Fund, or of an analogous provision of a special exchange agreement entered into under paragraph 6 of article 24.

(g) Not later than March 1, 1950 (3 years after the date on which the International Monetary Fund began operations) and in each year thereafter, the Organization shall report on any action still being taken by members under subparagraphs (b) and (c) of this paragraph or under annex K, in March 1952, and in each year thereafter, any member still entitled to take action under the provisions of subparagraph (c) or of annex K shall consult the Organization as to any deviations from article 22 still in force pursuant to such provisions and as to its continued resort to such provisions. After March 1, 1952, any action under annex K going beyond the maintenance in force of deviations on which such consultation has taken place and which the Organization has not found unjustifiable, or their adaptation to changing circumstances, shall be subject to any limitations of a general character which the Organization may prescribe in the light of the member's circumstances.

(h) The Organization may, if it deems such action necessary in exceptional circumstances, make representations to any member entitled to take action under the provisions of subparagraph (c) that conditions are favorable for the termination of any particular deviation from the provisions of article 22, or for the general abandonment of deviations, under the provisions of that subparagraph. After March 1, 1952, the Organization may make such representations, in exceptional circumstances, to any member entitled to take action under annex K. The member shall be given a suitable time to reply to such representations. If the Organization finds that the member persists in unjustifiable deviation from the provisions of article 22, the member shall, within 60 days, limit or terminate such deviations as the Organization may specify.

2. Whether or not its transitional period arrangements have terminated pursuant to paragraph 1 (f), a member which is applying import restrictions under article 21 may, with the consent of the Organization, temporarily deviate from the provisions of article 22 in respect of a small part of its external trade where the benefits to the member or members concerned substantially outweigh any injury which may result to the trade of other members.

3. The provisions of article 22 shall not preclude restrictions in accordance with the provisions of article 21 which either—

(a) are applied against imports from other countries, but not as among themselves, by a group of territories having a common quota in the International Monetary Fund, on condition that such restrictions are in all other respects consistent with the provisions of article 22, or

(b) assist, in the period until December 31, 1951, by measures not involving substantial departure from the provision of article 22, another country whose economy has been disrupted by war.

4. A member applying import restrictions under article 21 shall not be precluded by this section from applying measures to direct its exports in such a manner as to increase its earnings of currencies which it can use without deviation from the provisions of article 22.

5. A member shall not be precluded by this section from applying quantitative restrictions—

(a) having equivalent effect to exchange restrictions authorized under section 3 (b)

of article VII of the articles of agreement of the International Monetary Fund; or

(b) under the preferential arrangements provided for in annex A of this charter, pending the outcome of the negotiations referred to therein.

Article 24. Relationship with the International Monetary Fund and exchange arrangements

1. The organization shall seek cooperation with the International Monetary Fund to the end that the organization and the fund may pursue a coordinated policy with regard to exchange questions within the jurisdiction of the fund and questions of quantitative restrictions and other trade measures within the jurisdiction of the organization.

2. In all cases in which the organization is called upon to consider or deal with problems concerning monetary reserves, balance of payments or foreign exchange arrangements, the organization shall consult fully with the fund. In such consultation, the organization shall accept all findings of statistical and other facts presented by the fund relating to foreign exchange, monetary reserves and balance of payments, and shall accept the determination of the fund whether action by a member with respect to exchange matters is in accordance with the articles of agreement of the International Monetary Fund, or with the terms of a special exchange agreement entered into between that member and the Organization pursuant to paragraph 6 of this article. When the organization is examining a situation in the light of the relevant considerations under all the pertinent provisions of article 21 for the purpose of reaching its final decision in cases involving the criteria set forth in paragraph 3 (a) of that article, it shall accept the determination of the fund as to what constitutes a serious decline in the member's monetary reserves, a very low level of its monetary reserves or a reasonable rate of increase in its monetary reserves, and as to the financial aspects of other matters covered in consultation in such cases.

3. The Organization shall seek agreement with the fund regarding procedures for consultation under paragraph 2 of this article. Any such agreement, other than informal arrangements of a temporary or administrative character, shall be subject to confirmation by the Conference.

4. Members shall not, by exchange action, frustrate the intent of the provisions of this section, nor, by trade action, the intent of the provisions of the articles of agreement of the International Monetary Fund.

5. If the Organization considers, at any time, that exchange restrictions on payments and transfers in connection with imports are being applied by a member in a manner inconsistent with the provisions of this section with respect to quantitative restrictions, it shall report thereon to the fund.

6. (a) Any member of the Organization which is not a member of the fund shall, within a time to be determined by the Organization after consultation with the fund, become a member of the fund, or failing that, enter into a special exchange agreement with the Organization. A member of the Organization which ceases to be a member of the fund shall forthwith enter into a special exchange agreement with the Organization. Any special exchange agreement entered into by a member under this subparagraph shall thereupon become part of its obligations under this Charter.

(b) Any such agreement shall provide to the satisfaction of the Organization that the objectives of this Charter will not be frustrated as a result of action with respect to exchange matters by the member in question.

(c) Any such agreement shall not impose obligations on the member with respect to

exchange matters generally more restrictive than those imposed by the articles of agreement of the International Monetary Fund on members of the fund.

(d) No member shall be required to enter into any such agreement so long as it uses solely the currency of another member and so long as neither the member nor the country whose currency is being used maintains exchange restrictions. Nevertheless, if the Organization at any time considers that the absence of a special exchange agreement may be permitting action which tends to frustrate the purposes of any of the provisions of this Charter, it may require the member to enter into a special exchange agreement in accordance with the provisions of this paragraph. A member of the Organization which is not a member of the fund and which has not entered into a special exchange agreement may be required at any time to consult with the Organization on any exchange problem.

7. A member which is not a member of the fund, whether or not it has entered into a special exchange agreement, shall furnish such information within the general scope of section 5 of article VIII of the articles of agreement of the International Monetary Fund as the Organization may require in order to carry out its functions under this Charter.

8. Nothing in this section shall preclude—

(a) the use by a member of exchange controls or exchange restrictions in accordance with the articles of agreement of the International Monetary Fund or with that member's special exchange agreement with the Organization; or

(b) the use by a member of restrictions or controls on imports or exports, the sole effect of which, in addition to the effects permitted under articles 20, 21, 22, and 23, is to make effective such exchange controls or exchange restrictions.

SECTION C. SUBSIDIES

Article 25. Subsidies in general

If any member grants or maintains any subsidy, including any form of income or price support, which operates directly or indirectly to maintain or increase exports of any product from, or to reduce, or prevent an increase in, imports of any product into, its territory, the member shall notify the Organization in writing of the extent and effect of the subsidization, of the estimated effect of the subsidization on the quantity of the affected product or products imported into or exported from its territory and of the circumstances making the subsidization necessary. In any case in which a member considers that serious prejudice to its interests is caused or threatened by any such subsidization, the member granting the subsidy shall, upon request, discuss with the other member or members concerned, or with the Organization, the possibility of limiting the subsidization.

Article 26. Additional provisions on export subsidies

1. No member shall grant, directly or indirectly, any subsidy on the export of any product, or establish or maintain any other system, which subsidy or system results in the sale of such product for export at a price lower than the comparable price charged for the like product to buyers in the domestic market, due allowance being made for differences in the conditions and terms of sale, for differences in taxation, and for other differences affecting price comparability.

2. The exemption of exported products from duties or taxes imposed in respect of like products when consumed domestically, or the remission of such duties or taxes in amounts not in excess of those which have accrued, shall not be deemed to be in conflict with the provisions of paragraph 1. The use of the proceeds of such duties or

taxes to make payments to domestic producers in general of those products shall be considered as a case under article 25.

3. Members shall give effect to the provisions of paragraph 1 at the earliest practicable date but not later than 2 years from the day on which this charter enters into force. If any member considers itself unable to do so in respect of any particular product or products, it shall, at least 3 months before the expiration of such period, give notice in writing to the Organization, requesting a specific extension of the period. Such notice shall be accompanied by a full analysis of the system in question and the circumstances justifying it. The Organization shall then determine whether the extension requested should be made and, if so, on what terms.

4. Notwithstanding the provisions of paragraph 1, any member may subsidize the exports of any product to the extent and for such time as may be necessary to offset a subsidy granted by a nonmember affecting the member's exports of the product. However, the member shall, upon the request of the Organization or of any other member which considers that its interests are seriously prejudiced by such action, consult with the Organization or with that member, as appropriate, with a view to reaching a satisfactory adjustment of the matter.

Article 27. *Special treatment of primary commodities*

1. A system for the stabilization of the domestic price or of the return to domestic producers of a primary commodity, independently of the movements of export prices, which results at times in the sale of the commodity for export at a price lower than the comparable price charged for the like commodity to buyers in the domestic market, shall be considered not to involve a subsidy on export within the meaning of paragraph 1 of article 26, if the Organization determines that—

(a) the system has also resulted, or is so designed as to result, in the sale of the commodity for export at a price higher than the comparable price charged for the like commodity to buyers in the domestic market; and

(b) the system is so operated, or is designed so to operate, either because of the effective regulation of production or otherwise, as not to stimulate exports unduly or otherwise seriously prejudice the interests of other members.

2. Any member granting a subsidy in respect of a primary commodity shall cooperate at all times in efforts to negotiate agreements, under the procedures set forth in chapter VI, with regard to that commodity.

3. In any case involving a primary commodity, if a member considers that its interests would be seriously prejudiced by compliance with the provisions of article 26, or if a member considers that its interests are seriously prejudiced by the granting of any form of subsidy, the procedures set forth in chapter VI may be followed. The member which considers that its interests are thus seriously prejudiced shall, however, be exempt provisionally from the requirements of paragraphs 1 and 3 of article 26 in respect of that commodity, but shall be subject to the provisions of article 28.

4. No member shall grant a new subsidy or increase an existing subsidy affecting the export of a primary commodity, during a commodity conference called for the purpose of negotiating an intergovernmental control agreement for the commodity concerned, unless the Organization concurs, in which case such new or additional subsidy shall be subject to the provisions of article 28.

5. If the measures provided for in chapter VI have not succeeded, or do not promise to succeed, within a reasonable period of time, or if the conclusion of a commodity agree-

ment is not an appropriate solution, any member which considers that its interests are seriously prejudiced shall not be subject to the requirements of paragraphs 1 and 3 of article 26 in respect of that commodity, but shall be subject to the provisions of article 28.

Article 28. *Undertaking regarding stimulation of exports of primary commodities*

1. Any member granting any form of subsidy, which operates directly or indirectly to maintain or increase the export of any primary commodity from its territory, shall not apply the subsidy in such a way as to have the effect of maintaining or acquiring for that member more than an equitable share of world trade in that commodity.

2. As required under the provisions of article 25, the member granting such subsidy shall promptly notify the Organization of the extent and nature of the subsidization, of the estimated effect of the subsidization on the quantity of the affected commodity exported from its territory, and of the circumstances making the subsidization necessary. The member shall promptly consult with any other member which considers that serious prejudice to its interests is caused or threatened by the subsidization.

3. If, within a reasonable period of time, no agreement is reached in such consultation, the Organization shall determine what constitutes an equitable share of world trade in the commodity concerned and the member granting the subsidy shall conform to this determination.

4. In making the determination referred to in paragraph 3, the Organization shall take into account any factors which may have affected or may be affecting world trade in the commodity concerned, and shall have particular regard to:

(a) the member country's share of world trade in the commodity during a previous representative period;

(b) whether the member country's share of world trade in the commodity is so small that the effect of the subsidy on such trade is likely to be of minor significance;

(c) the degree of importance of the external trade in the commodity to the economy of the member country granting, and to the economies of the member countries materially affected by, the subsidy;

(d) the existence of price stabilization systems conforming to the provisions of paragraph 1 of article 27;

(e) the desirability of facilitating the gradual expansion of production for export in those areas able to satisfy world market requirements of the commodity concerned in the most effective and economic manner, and therefore of limiting any subsidies or other measures which make that expansion difficult.

SECTION D. STATE TRADING AND RELATED MATTERS

Article 29. *Nondiscriminatory treatment*

1. (a) Each member undertakes that if it establishes or maintains a state enterprise, wherever located, or grants to any enterprise, formally or in effect, exclusive or special privileges, such enterprise shall, in its purchases and sales involving either imports or exports, act in a manner consistent with the general principles of nondiscriminatory treatment prescribed in this charter for governmental measures affecting imports or exports by private traders.

(b) The provisions of subparagraph (a) shall be understood to require that such enterprises shall, having due regard to the other provisions of this charter, make at any such purchases or sales solely in accordance with commercial considerations, including price, quality, availability, marketability, transportation and other conditions of purchase or sale, and shall afford the enterprises of the other member countries adequate opportunity, in accordance with customary business

practice, to compete for participation in such purchases or sales.

(c) No member shall prevent any enterprise (whether or not an enterprise described in subparagraph (a)) under its jurisdiction from acting in accordance with the principles of subparagraphs (a) and (b).

2. The provisions of paragraph 1 shall not apply to imports of products purchased for governmental purposes and not with a view to commercial resale or with a view to use in the production of goods for commercial sale. With respect to such imports, and with respect to the laws, regulations, and requirements referred to in paragraph 8 (a) of article 18, each member shall accord to the trade of the other members fair and equitable treatment.

Article 30. *Marketing organizations*

If a member establishes or maintains a marketing board, commission or similar organization, the member shall be subject—

(a) with respect to purchases or sales by any such organization, to the provisions of paragraph 1 of article 29;

(b) with respect to any regulations of any such organizations governing the operations of private enterprises, to the other relevant provisions of this charter.

Article 31. *Expansion of trade*

1. If a member establishes, maintains or authorizes, formally or in effect, a monopoly of the importation or exportation of any product, the member shall, upon the request of any other member or members having a substantial interest in trade with it in the product concerned, negotiate with such other member or members in the manner provided for under article 17 in respect of tariffs, and subject to all the provisions of this charter with respect to such tariff negotiations, with the object of achieving—

(a) in the case of an export monopoly, arrangements designed to limit or reduce any protection that might be afforded through the operation of the monopoly to domestic users of the monopolized product, or designed to assure exports of the monopolized product in adequate quantities at reasonable prices;

(b) in the case of an import monopoly, arrangements designed to limit or reduce any protection that might be afforded through the operation of the monopoly to domestic producers of the monopolized product, or designed to relax any limitation on imports which is comparable with a limitation made subject to negotiation under other provisions of this chapter.

2. In order to satisfy the requirements of paragraph 1 (b), the member establishing, maintaining, or authorizing a monopoly shall negotiate—

(a) for the establishment of the maximum import duty that may be applied in respect of the product concerned; or

(b) for any other mutually satisfactory arrangement consistent with the provisions of this Charter, if it is evident to the negotiating parties that to negotiate a maximum import duty under subparagraph (a) of this paragraph is impracticable or would be ineffective for the achievement of the objectives of paragraph 1; any member entering into negotiations under this subparagraph shall afford to other interested members an opportunity for consultation.

3. In any case in which a maximum import duty is not negotiated under paragraph 2 (a), the member establishing, maintaining, or authorizing the import monopoly shall make public, or notify the Organization of, the maximum import duty which it will apply in respect of the product concerned.

4. The import duty negotiated under paragraph 2, or made public or notified to the Organization under paragraph 3, shall represent the maximum margin by which the price charged by the import monopoly for the imported product (exclusive of internal

taxes conforming to the provisions of article 18, transportation, distribution, and other expenses incident to the purchase, sale, or further processing, and a reasonable margin of profit) may exceed the landed cost: *Provided*, That regard may be had to average landed costs and selling prices over recent periods: *And provided further*, That, where the product concerned is a primary commodity which is the subject of a domestic price stabilization arrangement, provision may be made for adjustment to take account of wide fluctuations or variations in world prices, subject where a maximum duty has been negotiated to agreement between the countries parties to the negotiations.

5. With regard to any product to which the provisions of this article apply, the monopoly shall, wherever this principle can be effectively applied and subject to the other provisions of this charter, import and offer for sale such quantities of the product as will be sufficient to satisfy the full domestic demand for the imported product, account being taken of any rationing to consumers of the imported and like domestic product which may be in force at that time.

6. In applying the provisions of this article, due regard shall be had for the fact that some monopolies are established and operated mainly for social, cultural, humanitarian, or revenue purposes.

7. This article shall not limit the use by members of any form of assistance to domestic producers permitted by other provisions of this charter.

Article 32. Liquidation of noncommercial stocks

1. If a member holding stocks of any primary commodity accumulated for noncommercial purposes should liquidate such stocks, it shall carry out the liquidation, as far as practicable, in a manner that will avoid serious disturbance to world markets for the commodity concerned.

2. Such member shall:

(a) give not less than 4 months' public notice of its intention to liquidate such stocks; or

(b) give not less than 4 months' prior notice to the Organization of such intention.

3. Such member shall, at the request of any member which considers itself substantially interested, consult as to the best means of avoiding substantial injury to the economic interests of producers and consumers of the primary commodity in question. In cases where the interests of several members might be substantially affected, the Organization may participate in the consultations, and the member holding the stocks shall give due consideration to its recommendations.

4. The provisions of paragraphs 2 and 3 shall not apply to routine disposal of supplies necessary for the rotation of stocks to avoid deterioration.

SECTION E. GENERAL COMMERCIAL PROVISIONS

Article 33. Freedom of transit

1. Goods (including baggage), and also vessels and other means of transport, shall be deemed to be in transit across the territory of a member country when the passage across such territory, with or without transshipment, warehousing, breaking bulk, or change in the mode of transport, is only a portion of a complete journey beginning and terminating beyond the frontier of the member country across whose territory the traffic passes. Traffic of this nature is termed in this article "traffic in transit."

2. There shall be freedom of transit through each member country, via the routes most convenient for international transit, for traffic in transit to or from other member countries. No distinction shall be made which is based on the flag of vessels, the place of origin, departure, entry, exit or destination, or on any circumstances relating

to the ownership of goods, of vessels, or of other means of transport.

3. Any member may require that traffic in transit through its territory be entered at the proper customhouse, but, except in cases of failure to comply with applicable customs laws and regulations, such traffic coming from or going to other member countries shall not be subject to any unnecessary delays or restrictions and shall be exempt from customs duties and from all transit duties or other charges imposed in respect of transit, except charges commensurate with administrative expenses entailed by transit or with the cost of services rendered.

4. All charges and regulations imposed by members on traffic in transit to or from other member countries shall be reasonable, having regard to the conditions of the traffic.

5. With respect to all charges, regulations, and formalities in connection with transit, each member shall accord to traffic in transit to or from any other member country treatment no less favorable than the treatment accorded to traffic in transit to or from any third country.

6. The Organization may undertake studies, make recommendations, and promote international agreement relating to the simplification of customs regulations concerning traffic in transit, the equitable use of facilities required for such transit, and other measures designed to promote the objectives of this article. Members shall co-operate with each other directly and through the Organization to this end.

7. Each member shall accord to goods which have been in transit through any other member country treatment no less favorable than that which would have been accorded to such goods had they been transported from their place of origin to their destination without going through such other member country. Any member shall, however, be free to maintain its requirements of direct consignment existing on the date of this charter, in respect of any goods in regard to which such direct consignment is a requisite condition of eligibility for entry of the goods at preferential rates of duty or has relation to the member's prescribed method of valuation for customs purposes.

8. The provisions of this article shall not apply to the operation of aircraft in transit, but shall apply to air transit of goods (including baggage).

Article 34. Antidumping and countervailing duties

1. The members recognize that dumping, by which products of one country are introduced into the commerce of another country at less than the normal value of the products, is to be condemned if it causes or threatens material injury to an established industry in a member country or materially retards the establishment of a domestic industry. For the purposes of this article, a product is to be considered as being introduced into the commerce of an importing country at less than its normal value, if the price of the product exported from one country to another—

(a) is less than the comparable price, in the ordinary course of trade, for the like product when destined for consumption in the exporting country, or,

(b) in the absence of such domestic price, is less than either—

(i) the highest comparable price for the like product for export to any third country in the ordinary course of trade, or

(ii) the cost of production of the product in the country of origin plus a reasonable addition for selling cost and profit.

Due allowance shall be made in each case for differences in conditions and terms of sale, for differences in taxation, and for other differences affecting price comparability.

2. In order to offset or prevent dumping a member may levy on any dumped product an antidumping duty not greater in amount than the margin of dumping in respect of such product. For the purposes of this article, the margin of dumping is the price difference determined in accordance with the provisions of paragraph 1.

3. No countervailing duty shall be levied on any product of any member country imported into another member country in excess of an amount equal to the estimated bounty or subsidy determined to have been granted, directly or indirectly, on the manufacture, production or export of such product in the country of origin or exportation, including any special subsidy to the transportation of a particular product. The term "countervailing duty" shall be understood to mean a special duty levied for the purpose of offsetting any bounty or subsidy bestowed, directly or indirectly, upon the manufacture, production or export of any merchandise.

4. No product of any member country imported into any other member country shall be subject to antidumping or countervailing duty by reason of the exemption of such product from duties or taxes borne by the like product when destined for consumption in the country of origin or exportation, or by reason of the refund of such duties or taxes.

5. No product of any member country imported into any other member country shall be subject to both antidumping and countervailing duties to compensate for the same situation of dumping or export subsidization.

6. No member shall levy any antidumping or countervailing duty on the importation of any product of another member country unless it determines that the effect of the dumping or subsidization, as the case may be, is such as to cause or threaten material injury to an established domestic industry, or is such as to retard materially the establishment of a domestic industry. The Organization may waive the requirements of this paragraph so as to permit a member to levy an antidumping or countervailing duty on the importation of any product for the purpose of offsetting dumping or subsidization which causes or threatens material injury to an industry in another member country exporting the product concerned to the importing member country.

7. A system for the stabilization of the domestic price or of the return to domestic producers of a primary commodity, independently of the movements of export prices, which results at times in the sale of the commodity for export at a price lower than the comparable price charged for the like commodity to buyers in the domestic market, shall be presumed not to result in material injury within the meaning of paragraph 6 if it is determined by consultation among the members substantially interested in the commodity concerned that:

(a) the system has also resulted in the sale of the commodity for export at a price higher than the comparable price charged for the like commodity to buyers in the domestic market, and

(b) the system is so operated, either because of the effective regulation of production, or otherwise, as not to stimulate exports unduly or otherwise seriously prejudice the interests of other members.

Article 35. Valuation for customs purposes

1. The members shall work toward the standardization, as far as practicable, of definitions of value and of procedures for determining the value of products subject to customs duties or other charges or restrictions based upon or regulated in any manner by value. With a view to furthering cooperation to this end, the Organization

may study and recommend to members such bases and methods for determining value for customs purposes as would appear best suited to the needs of commerce and most capable of general adoption.

2. The members recognize the validity of the general principles of valuation set forth in paragraph 3, 4, and 5, and they undertake to give effect, at the earliest practicable date, to these principles in respect of all products subject to duties or other charges or restrictions on importation based upon or regulated in any manner by value. Moreover, they shall, upon a request by another member directly affected, review in the light of these principles the operation of any of their laws or regulations relating to value for customs purposes. The Organization may request from members reports on steps taken by them in pursuance of the provisions of this article.

3. (a) The value for customs purposes of imported merchandise should be based on the actual value of the imported merchandise on which duty is assessed, or of like merchandise, and should not be based on the value of merchandise of national origin or on arbitrary or fictitious values.

(b) "Actual value" should be the price at which at a time and place determined by the legislation of the country of importation, and in the ordinary course of trade, such or like merchandise is sold or offered for sale under fully competitive conditions. To the extent to which the price of such or like merchandise is governed by the quantity in a particular transaction, the price to be considered should uniformly be related to either (i) comparable quantities, or (ii) quantities not less favorable to importers than those in which the greater volume of the merchandise is sold in the trade between the countries of exportation and importation.

(c) When the actual value is not ascertainable in accordance with subparagraph (b), the value for customs purposes should be based on the nearest ascertainable equivalent of such value.

4. The value for customs purposes of any imported product should not include the amount of any internal tax, applicable within the country of origin or export, from which the imported product has been exempted or has been or will be relieved by means of refund.

5. (a) Except as otherwise provided in this paragraph, where it is necessary for the purposes of paragraph 3 for a member to convert into its own currency a price expressed in the currency of another country, the conversion rate of exchange to be used shall be based on the par values of the currencies involved, as established pursuant to the Articles of Agreement of the International Monetary Fund or by special exchange agreements entered into pursuant to article 24 of this Charter.

(b) Where no such par value has been established, the conversion rate shall reflect effectively the current value of such currency in commercial transactions.

(c) The Organization, in agreement with the International Monetary Fund, shall formulate rules governing the conversion by members of any foreign currency in respect of which multiple rates of exchange are maintained consistently with the articles of agreement of the International Monetary Fund. Any member may apply such rules in respect of such foreign currencies for the purposes of paragraph 3 of this article as an alternative to the use of par values. Until such rules are adopted by the Organization, any member may employ, in respect of any such foreign currency, rules of conversion for the purposes of paragraph 3 of this article which are designed to reflect effectively the value of such foreign currency in commercial transactions.

6. Nothing in this article shall be construed to require any member to alter the

method of converting currencies for customs purposes which is applicable in its territory on the date of this charter, if such alteration would have the effect of increasing generally the amounts of duty payable.

7. The bases and methods for determining the value of products subject to duties or other charges or restrictions based upon or regulated in any manner by value should be stable and should be given sufficient publicity to enable traders to estimate, with a reasonable degree of certainty, the value for customs purposes.

Article 36. Formalities connected with importation and exportation

1. The members recognize that all fees and charges of whatever character (other than import and export duties and other than taxes within the purview of article 13) imposed by governmental authorities on or in connection with importation or exportation should be limited in amount to the approximate cost of services rendered and should not represent an indirect protection to domestic products or a taxation of imports or exports for fiscal purposes. The members also recognize the need for reducing the number and diversity of such fees and charges, for minimizing the incidence and complexity of import and export formalities, and for decreasing and simplifying import and export documentation requirements.

2. The members shall take action in accordance with the principles and objectives of paragraph 1 at the earliest practicable date. Moreover, they shall, upon request by another member directly affected, review the operation of any of their laws and regulations in the light of these principles. The Organization may request from members reports on steps taken by them in pursuance of the provisions of this paragraph.

3. The provisions of paragraphs 1 and 2 shall extend to fees, charges, formalities, and requirements imposed by governmental authorities in connection with importation and exportation, including those relating to—

- (a) consular transactions, such as those relating to consular invoices and certificates;
- (b) quantitative restrictions;
- (c) licensing;
- (d) exchange control;
- (e) statistical services;
- (f) documents, documentation, and certification;
- (g) analysis and inspection; and
- (h) quarantine, sanitation, and fumigation.

4. The organization may study and recommend to members specific measures for the simplification and standardization of customs formalities and techniques and for the elimination of unnecessary customs requirements, including those relating to advertising matter and samples for use only in taking orders for merchandise.

5. No member shall impose substantial penalties for minor breaches of customs regulations or procedural requirements. In particular, no penalty in respect of any omission or mistake in customs documentation which is easily rectifiable and obviously made without fraudulent intent or gross negligence shall be greater than necessary to serve merely as a warning.

6. The members recognize that tariff descriptions based on distinctive regional or geographical names should not be used in such a manner as to discriminate against products of member countries. Accordingly, the members shall cooperate with each other directly and through the Organization with a view to eliminating at the earliest practicable date practices which are inconsistent with this principle.

Article 97. Marks of origin

1. The members recognize that, in adopting and implementing laws and regulations relating to marks of origin, the difficulties

and inconveniences which such measures may cause to the commerce and industry of exporting countries should be reduced to a minimum.

2. Each member shall accord to the products of each other member country treatment with regard to marking requirements no less favorable than the treatment accorded to like products of any third country.

3. Whenever it is administratively practicable to do so, members should permit required marks of origin to be affixed at the time of importation.

4. The laws and regulations of members relating to the marking of imported products shall be such as to permit compliance without seriously damaging the products or materially reducing their value or unreasonably increasing their cost.

5. The members agree to work in co-operation through the Organization toward the early elimination of unnecessary marking requirements. The Organization may study and recommend to members measures directed to this end, including the adoption of schedules of general categories of products, in respect of which marking requirements operate to restrict trade to an extent disproportionate to any proper purpose to be served, and which shall not in any case be required to be marked to indicate their origin.

6. As a general rule no special duty or penalty should be imposed by any member for failure to comply with marking requirements prior to importation unless corrective marking is unreasonably delayed or deceptive marks have been affixed or the required marking has been intentionally omitted.

7. The members shall cooperate with each other directly and through the Organization with a view to preventing the use of trade names in such manner as to misrepresent the true origin of a product, to the detriment of the distinctive regional or geographical names of products of a member country which are protected by the legislation of such country. Each member shall accord full and sympathetic consideration to such requests or representations as may be made by any other member regarding the application of the undertaking set forth in the preceding sentence to names of products which have been communicated to it by the other member. The Organization may recommend a conference of interested members on this subject.

Article 38. Publication and administration of trade regulations

1. Laws, regulations, judicial decisions and administrative rulings of general application made effective by any member, pertaining to the classification or the valuation of products for customs purposes, or to rates of duty, taxes or other charges, or to requirements, restrictions or prohibitions on imports or exports or on the transfer of payments therefor, or affecting their sale, distribution, transportation, insurance, warehousing, inspection, exhibition, processing, mixing or other use, shall be published promptly in such a manner as to enable governments and traders to become acquainted with them. Agreements affecting international trade policy which are in force between the government or governmental agency of any member country and the government or governmental agency of any other country shall also be published. Copies of such laws, regulations, decisions, rulings and agreements shall be communicated promptly to the Organization. The provisions of this paragraph shall not require any member to divulge confidential information the disclosure of which would impede law enforcement or otherwise be contrary to the public interest or would prejudice the legitimate commercial interests of particular enterprises, public or private.

2. No measure of general application taken by any member effecting an advance in a rate of duty or other charge on imports under an established and uniform practice or imposing a new or more burdensome requirement, restriction or prohibition on imports, or on the transfer of payments therefor, shall be enforced before such measure has been officially made public.

3. (a) Each member shall administer in a uniform, impartial and reasonable manner all its laws, regulations, decisions and rulings of the kind described in paragraph 1. Suitable facilities shall be afforded for traders directly affected by any of those matters to consult with the appropriate governmental authorities.

(b) Each member shall maintain, or institute as soon as practicable, judicial, arbitral or administrative tribunals or procedures for the purpose, *inter alia*, of the prompt review and correction of administrative action relating to customs matters. Such tribunals or procedures shall be independent of the agencies entrusted with administrative enforcement and their decisions shall be implemented by, and shall govern the practice of, such agencies unless an appeal is lodged with a court or tribunal of superior jurisdiction within the time prescribed for appeals to be lodged by importers: *Provided* that the central administration of such agency may take steps to obtain a review of the matter in another proceeding if there is good cause to believe that the decision is inconsistent with established principles of law or the actual facts.

(c) The provisions of subparagraph (b) shall not require the elimination or substitution of procedures in force in a member country on the date of this charter which in fact provide for an objective and impartial review of administrative action, even though such procedures are not fully or formally independent of the agencies entrusted with administrative enforcement. Any member employing such procedures shall, upon request, furnish the organization with full information thereon in order that the organization may determine whether such procedures conform to the requirements of this subparagraph.

Article 39. Information, statistics, and trade terminology

1. The members shall communicate to the organization, or to such agency as may be designated for the purpose by the organization, as promptly and in as much detail as is reasonably practicable:

(a) statistics of their external trade in goods (imports, exports and, where applicable, reexports, transit and transshipment and goods in warehouse or in bond);

(b) statistics of governmental revenue from import and export duties and other taxes on goods moving in international trade and, insofar as readily ascertainable, of subsidy payments affecting such trade.

2. So far as possible, the statistics referred to in paragraph 1 shall be related to tariff classifications and shall be in such form as to reveal the operation of any restrictions on importation or exportation which are based on or regulated in any manner by quantity or value or amounts of exchange made available.

3. The members shall public regularly and as promptly as possible the statistics referred to in paragraph 1.

4. The members shall give careful consideration to any recommendations which the Organization may make to them with a view to improving the statistical information furnished under paragraph 1.

5. The members shall make available to the Organization, at its request and insofar as is reasonably practicable, such other sta-

tistical information as the Organization may deem necessary to enable it to fulfill its functions, provided that such information is not being furnished to other intergovernmental organizations from which the Organization can obtain it.

6. The Organization shall act as a center for the collection, exchange, and publication of statistical information of the kind referred to in paragraph 1. The Organization, in collaboration with the Economic and Social Council of the United Nations, and with any other organization, deemed appropriate, may engage in studies with a view to improving the methods of collecting, analyzing, and publishing economic statistics and may promote the international comparability of such statistics, including the possible international adoption of standard tariff and commodity classifications.

7. The Organization, in cooperation with the other organizations referred to in paragraph 6, may also study the question of adopting standards, nomenclatures, terms, and forms to be used in international trade and in the official documents and statistics of members relating thereto, and may recommend the general acceptance by members of such standards, nomenclatures, terms, and forms.

SECTION F. SPECIAL PROVISIONS

Article 40. Emergency action on imports of particular products

1. (a) If, as a result of unforeseen developments and of the effect of the obligations incurred by a member under or pursuant to this chapter, including tariff concessions, any product is being imported into the territory of that member in such relatively increased quantities and under such conditions as to cause or threaten serious injury to domestic producers in that territory of like or directly competitive products, the member shall be free, in respect of such product, and to the extent and for such time as may be necessary to prevent or remedy such injury, to suspend the obligation in whole or in part or to withdraw or modify the concession.

(b) If any product which is the subject of a concession with respect to a preference is being imported into the territory of a member in the circumstances set forth in subparagraph (a), so as to cause or threaten serious injury to domestic producers of like or directly competitive products in the territory of a member which receives or received such preference, the importing member shall be free, if that other member so requests, to suspend the relevant obligation in whole or in part or to withdraw or modify the concession in respect of the product, to the extent and for such time as may be necessary to prevent or remedy such injury.

2. Before any member shall take action pursuant to the provisions of paragraph 1, it shall give notice in writing to the organization as far in advance as may be practicable and shall afford the organization and those members having a substantial interest as exporters of the product concerned an opportunity to consult with it in respect of the proposed action. When such notice is given in regard to a concession relating to a preference, the notice shall name the member which has requested the action. In circumstances of special urgency, where delay would cause damage which it would be difficult to repair, action under paragraph 1 may be taken provisionally without prior consultation, on the condition that consultation shall be effected immediately after taking such action.

3. (a) If agreement among the interested members with respect to the action is not reached, the member which proposes to take or continue the action shall, nevertheless, be free to do so, and if such action is taken

or continued, the affected members shall then be free, not later than 90 days after such action is taken, to suspend, upon the expiration of 30 days from the day on which written notice of such suspension is received by the organization, the application to the trade of the member taking such action, or, in the case envisaged in paragraph 1 (b), to the trade of the member requesting such action, of such substantially equivalent obligations or concessions under or pursuant to this chapter the suspension of which the organization does not disapprove.

(b) Notwithstanding the provisions of subparagraph (a), where action is taken without prior consultation under paragraph 2 and causes or threatens serious injury in the territory of a member to the domestic producers of products affected by the action, that member shall, where delay would cause damage difficult to repair, be free to suspend, upon the taking of the action and throughout the period of consultation, such obligations or concessions as may be necessary to prevent or remedy the injury.

4. Nothing in this article shall be construed—

(a) to require any member, in connection with the withdrawal or modification by such member of any concession negotiated pursuant to article 17, to consult with or obtain the agreement of members other than those members which are contracting parties to the general agreement on tariffs and trade, or

(b) to authorize any member which is not a contracting party to that agreement, to withdraw from or suspend obligations under this charter by reason of the withdrawal or modification of such concession.

Article 41. Consultation

Each member shall accord sympathetic consideration to, and shall afford adequate opportunity for consultation regarding, such representations as may be made by any other member with respect to the operation of customs regulations and formalities, anti-dumping and countervailing duties, quantitative and exchange regulations, internal price regulations, subsidies, transit regulations and practices, State trading, sanitary laws and regulations for the protection of human, animal, or plant life or health, and generally with respect to all matters affecting the operation of this chapter.

Article 42. Territorial application of chapter IV

1. The provisions of chapter IV shall apply to the metropolitan customs territories of the members and to any other customs territories in respect of which this charter has been accepted in accordance with the provisions of article 104. Each such customs territory shall, exclusively for the purposes of the territorial application of chapter IV, be treated as though it were a member; *Provided*, That the provisions of this paragraph shall not be construed to create any rights or obligations as between two or more customs territories in respect of which this charter has been accepted by a single member.

2. For the purposes of this chapter a customs territory shall be understood to mean any territory with respect to which separate tariffs or other regulations of commerce are maintained for a substantial part of the trade of such territory with other territories.

Article 43. Frontier traffic

The provisions of this chapter shall not be construed to prevent—

(a) Advantages accorded by any member to adjacent countries in order to facilitate frontier traffic;

(b) Advantages accorded to the trade with the Free Territory of Trieste by countries contiguous to that territory, provided that

such advantages are not in conflict with the treaties of peace arising out of the Second World War.

Article 44. Customs unions and free-trade areas

1. Members recognize the desirability of increasing freedom of trade by the development, through voluntary agreements, of closer integration between the economies of the countries parties to such agreements. They also recognize that the purpose of a customs union or free-trade area should be to facilitate trade between the parties and not to raise barriers to the trade of other member countries with such parties.

2. Accordingly, the provisions of this chapter shall not prevent, as between the territories of members, the formation of a customs union or of a free-trade area or the adoption of an interim agreement necessary for the formation of a customs union or of a free-trade area; *Provided*, That—

(a) with respect to a customs union, or an interim agreement leading to the formation of a customs union, the duties and other regulations of commerce imposed at the institution of any such union or interim agreement in respect of trade with member countries not parties to such union or agreement shall not on the whole be higher or more restrictive than the general incidence of the duties and regulations of commerce applicable in the constituent territories prior to the formation of such union or the adoption of such interim agreement, as the case may be;

(b) with respect to a free-trade area, or an interim agreement leading to the formation of a free-trade area, the duties and other regulations of commerce maintained in each of the constituent territories and applicable at the formation of such free-trade area or the adoption of such interim agreement to the trade of member countries not included in such area or not parties to such agreement shall not be higher or more restrictive than the corresponding duties and other regulations of commerce existing in the same constituent territories prior to the formation of the free-trade area, or interim agreement, as the case may be; and

(c) any interim agreement referred to in subparagraphs (a) or (b) shall include a plan and schedule for the formation of such a customs union or of such a free-trade area within a reasonable length of time.

3. (a) Any member deciding to enter into a customs union or free-trade area, or an interim agreement leading to the formation of such a union or area, shall promptly notify the organization and shall make available to it such information regarding the proposed union or area as will enable the organization to make such reports and recommendations to members as it may deem appropriate.

(b) If, after having studied the plan and schedule provided for in an interim agreement referred to in paragraph 2 in consultation with the parties to that agreement and taking due account of the information made available in accordance with the provisions of subparagraph (a), the Organization finds that such agreement is not likely to result in the formation of a customs union or of a free-trade area within the period contemplated by the parties to the agreement or that such period is not a reasonable one, the Organization shall make recommendations to the parties to the agreement. The parties shall not maintain or put into force, as the case may be, such agreement if they are not prepared to modify it in accordance with these recommendations.

(c) Any substantial change in the plan or schedule referred to in paragraph 2 (c) shall be communicated to the Organization, which may request the members concerned to consult with it if the change seems likely to jeopardize or delay unduly the formation of

the customs union or of the free-trade area.

4. For the purposes of this charter—

(a) a customs union shall be understood to mean the substitution of a single customs territory for two or more customs territories, so that—

(i) duties and other restrictive regulations of commerce (except, where necessary, those permitted under section B of chapter IV and under article 45) are eliminated with respect to substantially all the trade between the constituent territories of the union or at least with respect to substantially all the trade in products originating in such territories; and

(ii) subject to the provisions of paragraph 5, substantially the same duties and other regulations of commerce are applied by each of the members of the union to the trade of territories not included in the union;

(b) a free-trade area shall be understood to mean a group or two or more customs territories in which the duties and other restrictive regulations of commerce (except, where necessary, those permitted under section B of chapter IV and under article 45) are eliminated on substantially all the trade between the constituent territories in products originating in such territories.

5. The preferences referred to in paragraph 2 of article 16 shall not be affected by the formation of a customs union or of a free-trade area but may be eliminated or adjusted by means of negotiations with members affected. This procedure of negotiations with affected members shall, in particular, apply to the elimination of preferences required to conform with the provisions of paragraph 4 (a) (i) and paragraph 4 (b).

6. The Organization may, by a two-thirds majority of the members present and voting, approve proposals which do not fully comply with the requirements of the preceding paragraphs, provided that such proposals lead to the formation of a customs union or of a free-trade area in the sense of this article.

Article 45. General exceptions to chapter IV

1. Subject to the requirement that such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination between member countries where the same conditions prevail, or a disguised restriction on international trade, nothing in this chapter shall be construed to prevent the adoption or enforcement by any member of measures—

(a) (i) necessary to protect public morals;

(ii) necessary to the enforcement of laws and regulations relating to public safety;

(iii) necessary to protect human, animal, or plant life or health;

(iv) relating to the importation or exportation of gold or silver;

(v) necessary to secure compliance with laws or regulations which are not inconsistent with the provisions of this chapter, including those relating to customs enforcement, the enforcement of monopolies operated under section D of this chapter, the protection of patents, trade marks, and copyrights, and the prevention of deceptive practices;

(vi) relating to the products of prison labor;

(vii) imposed for the protection of national treasures of artistic, historic, or archaeological value;

(viii) relating to the conservation of exhaustible natural resources if such measures are made effective in conjunction with restrictions on domestic production or consumption;

(ix) taken in pursuance of intergovernmental commodity agreements concluded in accordance with the provisions of chapter VI;

(x) taken in pursuance of any intergovernmental agreement which relates solely to the conservation of fisheries resources, mi-

gratory birds or wild animals and which is subject to the requirements of paragraph 1 (d) of article 70; or

(xi) involving restrictions on exports of domestic materials necessary to assure essential quantities of such materials to a domestic processing industry during periods when the domestic price of such materials is held below the world price as part of a governmental stabilization plan: *Provided*, That such restrictions shall not operate to increase the exports of or the protection afforded to such domestic industry and shall not depart from the provisions of this chapter relating to nondiscrimination;

(b) (i) essential to the acquisition or distribution of products in general or local short supply: *Provided*, That any such measures shall be consistent with any general intergovernmental arrangements directed to an equitable international distribution of such products or, in the absence of such arrangements, with the principle that all members are entitled to an equitable share of the international supply of such products;

(ii) essential to the control of prices by a member country, experiencing shortages subsequent to the Second World War; or

(iii) essential to the orderly liquidation of temporary surpluses of stocks owned or controlled by the Government of any member country, or of industries developed in any member country owing to the exigencies of the Second World War which it would be uneconomic to maintain in normal conditions: *Provided*, That such measures shall not be instituted by any member except after consultation with other interested members with a view to appropriate international action.

(2) Measures instituted or maintained under paragraph 1 (b) which are inconsistent with the other provisions of this chapter shall be removed as soon as the conditions giving rise to them have ceased, and in any event not later than at a date to be specified by the organization: *Provided*, That such date may be deferred for a further period or periods, with the concurrence of the organization, either generally or in relation to particular measures taken by members in respect of particular products.

Mr. MALONE. Mr. President, during my address yesterday, I read into the Record the complete platform record of the Democratic Party from 1856 to 1948, inclusive, on the tariff question. I now ask unanimous consent to have included in the Record at this point the position of the Republican Party on tariffs from 1856 to 1948, inclusive, and a short tariff history of the United States.

There being no objection, the platform planks on tariffs of the Republican Party from 1856 to 1948, inclusive, and a short tariff history were ordered to be printed in the Record, as follows:

THE POSITION OF THE REPUBLICAN PARTY ON TARIFFS FROM 1856 TO 1948

1856 PLATFORM

No mention of tariffs.

1860 PLATFORM

Plank 12: "That, while providing revenue for the support of the general Government by duties upon imports, sound policy requires such an adjustment of these imposts, as to encourage the development of the industrial interests of the whole country."

1864 PLATFORM

No mention of tariffs.

1868 PLATFORM

No mention of tariffs.

1872 PLATFORM

Plank 7: "The annual revenue, after paying current expenditures, pensions, and the

interest on the public debt, should furnish a moderate balance for the reduction of the principal, and that revenue, except so much as may be derived from a tax on tobacco and liquors, should be raised by duties upon importations, the details of which should be so adjusted as to aid in securing remunerative wages to labor, and promote the industries, prosperity, and growth of the whole country."

1876 PLATFORM

Plank 8: "The revenue necessary for current expenditures and the obligations of the public debt must be largely derived from duties upon importations, which, so far as possible, should be adjusted to promote the interests of American labor and advance the prosperity of the whole country."

1880 PLATFORM

Plank 5: "We reaffirm the belief avowed in 1876, that the duties levied for the purpose of revenue should so discriminate as to favor American labor."

1884 PLATFORM

"We therefore demand that the imposition of duties on foreign imports shall be made, not 'for revenue only,' but that in raising the requisite revenues for the Government such duties shall be so levied as to afford security to our diversified industries and protection to the rights and wages of the laborer, to the end that active and intelligent labor, as well as capital, may have its just reward, and the laboring man his full share in the national prosperity.

"Against the so-called economic system of the Democratic Party, which would degrade our labor to the foreign standard, we enter our earnest protest."

1888 PLATFORM

Protection to American industries

We are uncompromisingly in favor of the American system of protection; we protest against its destruction as proposed by the President and his party. They serve the interests of Europe; we will support the interests of America. We accept the issue and confidently appeal to the people for their judgment. The protective system must be maintained. Its abandonment has always been followed by general disaster to all interests, except those of the usurer and the sheriff. We denounce the Mills bill as destructive to the general business, the labor, and the farming interests of the country, and we heartily endorse the consistent and patriotic action of the Republican Representatives in Congress in opposing its passage.

Duties on wool

We condemn the proposition of the Democratic Party to place wool on the free list, and we insist that the duties thereon shall be adjusted and maintained so as to furnish full and adequate protection to that industry throughout the United States.

The internal revenue

The Republican Party would effect all needed reduction of the national revenue by repealing the taxes upon tobacco, which are an annoyance and burden to agriculture, and the tax upon spirits used in the arts and for mechanical purposes, and by such revision of the tariff laws as will tend to check imports of such articles as are produced by our people, the production of which gives employment to our labor, and release from import duties those articles of foreign production (except luxuries) the like of which cannot be produced at home. If there shall still remain a larger revenue than is requisite for the wants of the Government, we favor the entire repeal of internal taxes rather than the surrender of any part of our protective system, at the joint behests of the whisky trusts and the agents of foreign manufacturers.

1892 PLATFORM

The principle of protection

We reaffirm the American doctrine of protection. We call attention to its growth abroad. We maintain that the prosperous condition of our country is largely due to the wise revenue legislation of the last Republican Congress. We believe that all articles which cannot be produced in the United States, except luxuries, should be admitted free of duty, and that on all imports coming into competition with products of American labor there should be levied duties equal to the difference between wages abroad and at home.

We assert that the prices of manufactured articles of general consumption have been reduced under the operations of the Tariff Act of 1890.

We denounce the efforts of the Democratic majority of the House of Representatives to destroy our tariff laws piecemeal, as manifested by their attacks upon wool, lead, and lead ores, the chief products of a number of States, and we ask the people for their judgment thereon.

Triumph of reciprocity

We point to the success of the Republican policy of reciprocity, under which our export trade has vastly increased and new and enlarged markets have been opened for the products of our farms and workshops. We remind the people of the bitter opposition of the Democratic Party to this practical business measure, and claim that, executed by a Republican administration, our present laws will eventually give us control of the trade of the world.

1896 PLATFORM

Tariff

We renew and emphasize our allegiance to the policy of protection as the bulwark of American industrial independence and the foundation of American development and prosperity. This true American policy taxes foreign products and encourages home industry; it puts the burden of revenue on foreign goods; it secures the American market for the American producer; it upholds the American standard of wages for the American workingman; it puts the factory by the side of the farm, and makes the American farmer less dependent on foreign demand and prices; it diffuses general thrift, and founds the strength of all on the strength of each. In its reasonable application it is just, fair to sectional discrimination and individual favoritism.

We denounce the present Democratic tariff as sectional, injurious to the public credit, and destructive to business enterprise. We demand such an equitable tariff on foreign imports which have come into competition with American products as will not only furnish adequate revenue for the necessary expenses of the Government, but will protect American labor from degradation to the wage level of other lands. We are not pledged to any particular schedules. The question of rates is a practical question to be governed by the conditions of time and of production; the ruling and uncompromising principle is the protection and development of American labor and industry. The country demands a right settlement, and then it wants rest.

Reciprocity

We believe the repeal of the reciprocity arrangements negotiated by the last Republican administration was a national calamity, and we demand their renewal and extension on such terms as will equalize our trade with other nations, remove the restrictions which now obstruct the sale of American products of our farms, forests, and factories.

Protection and reciprocity are twin measures of Republican policy and go hand in hand. Democratic rule has recklessly struck

down both, and both must be reestablished. Protection for what we produce; free admission for the necessities of life which we do not produce; reciprocity agreements of mutual interests which gain open markets for us in return for our open market to others. Protection builds up domestic industry and trade, and secures our own market for ourselves; reciprocity builds up foreign trade, and finds an outlet for our surplus.

Sugar

We condemn the present administration for not keeping faith with the sugar producers of this country. The Republican Party favors such protection as will lead to the production on American soil of all the sugar which the American people use, and for which they pay other countries more than \$100,000,000 annually.

Wool and woollens

To all our products—to those of the mine and the fields as well as to those of the shop and the factory; to hemp, to wool, the products of the great industry of sheep husbandry, as well as to the finished woollens of the mills—we promise the most ample protection.

Merchant marine

We favor restoring the American policy of discriminating duties for the upbuilding of our merchant marine and the protection of our shipping in the foreign-carrying trade, so that American ships—the product of American labor, employed in American shipyards, sailing under the stars and stripes, and manned, officered, and owned by Americans—may regain the carrying of our foreign commerce.

1900 PLATFORM

Protection policy reaffirmed

We renew our faith in the policy of protection to American labor. In that policy our industries have been established, diversified, and maintained. By protecting the home market, competition has been stimulated and production cheapened. Opportunity to the inventive genius of our people has been secured and wages in every department of labor maintained at high rates—higher now than ever before, and always distinguishing our working people in their better conditions of life from those of any competing country. Enjoying the blessings of the American common school, secure in the right of self-government, and protected in the occupancy of their own markets, their constantly increasing knowledge and skill have enabled them to finally enter the markets of the world.

Reciprocity favored

We favor the associated policy of reciprocity, so directed as to open our markets on favorable terms for what we do not ourselves produce in return for free foreign markets.

1904 PLATFORM

The protective tariff

Protection which guards and develops our industries is a cardinal policy of the Republican Party. The measure of protection should always at least equal the difference in the cost of production at home and abroad.

We insist upon the maintenance of the principles of protection, and, therefore, rates of duty should be readjusted only when conditions have so changed that the public interest demands their alteration, but this work cannot safely be committed to any other hands than those of the Republican Party. To entrust it to the Democratic Party is to invite disaster. Whether, as in 1892, the Democratic Party declares the protective tariff unconstitutional, or whether it demands tariff reform or tariff revision, its real

object is always the destruction of the protective system.

However specious the name, the purpose is ever the same. A Democratic tariff has always been followed by business adversity; a Republican tariff by business prosperity.

To a Republican Congress and a Republican President this great question can be safely entrusted. When the only free-trade country among the great nations agitates a return to protection, the chief protective country should not falter in maintaining it.

We have extended widely our foreign markets, and we believe in the adoption of all practicable methods for their further extension, including commercial reciprocity wherever reciprocal arrangements can be effected consistent with the principles of protection and without injury to American agriculture, American labor, or any American industry.

1908 PLATFORM

Tariff revision promised

The Republican Party declares unequivocally for a revision of the tariff by a special session of the Congress immediately following the inauguration of the next President, and commends the steps already taken to this end in the work assigned to the appropriate committees of Congress, which are now investigating the operation and effect of these schedules. In all tariff legislation the true principle of protection is best maintained by the imposition of such duties as will equal the difference between cost of production at home and abroad, together with a reasonable profit to American industries. We favor establishment of a maximum and minimum rate to be administered by the President under the limitations fixed by the law, the maximum to be available to meet the discrimination by foreign countries against American goods entering our markets, and the minimum representing the normal measure of protection at home, the aim and the purpose of Republican policy being not only to preserve without excessive duties the security against foreign competition to which American manufacturers, farmers, and producers are entitled, but also to maintain the high standard of living of the wage workers of this country, who are the most direct beneficiaries of the protective system.

Philippine tariff

Between the United States and the Philippines we believe in a free interchange of products with such limitations as to sugar and tobacco as will afford adequate protection to domestic interests.

1912 PLATFORM

The tariff policy

We reaffirm our belief in a protective tariff. The Republican tariff policy has been of the greatest benefit to the country, developing our resources, diversifying our industries, and protecting our workmen against competition with cheaper labor abroad, thus establishing for our wage earners the American standard of living. The protective tariff is so woven into the fabric of our industrial and agricultural life that to substitute for it a tariff for revenue only would destroy many industries and throw millions of our people out of employment. The products of the farm and of the mine should receive the same measure of protection as other products of American labor.

We hold that the import duties should be high enough, while yielding a sufficient revenue, to protect adequately American industries and wages. Some of the existing import duties are too high and should be reduced. Readjustment should be made from time to time to conform to changing conditions and to reduce excessive rates, but without injury to any American industry. To accomplish this correct information is indispensable. This information can best

be obtained by an expert commission, as the large volume of useful facts contained in the recent reports of the Tariff Board has demonstrated.

Tariff board endorsed

The pronounced feature of modern industrial life is its enormous diversification. To apply tariff rates justly to these changing conditions requires closer study and more scientific methods than ever before. The Republican Party has shown by its creation of a tariff board its recognition of this situation and its determination to be equal to it. We condemn the Democratic Party for its failure either to provide funds for the continuance of this board or to make some other provision for securing the information requisite for intelligent tariff legislation. We protest against the Democratic method of legislating on these vitally important subjects without careful investigation.

We condemn the Democratic tariff bills passed by the House of Representatives of the Sixty-second Congress as sectional, as injurious to the public credit, and as destructive of business enterprise.

1916 PLATFORM

Tariff

The Republican Party stands now, as always, in the fullest sense for the policy of tariff protection to American industries and American labor and does not regard an anti-dumping provision as an adequate substitute.

Such protection should be reasonable in amount but sufficient to protect adequately American industries and American labor and so adjusted as to prevent undue exactions by monopolies or trust. It should, moreover, give special attention to securing the industrial independence of the United States as in the case of dyestuffs.

Through wise tariff and industrial legislation our industries can be so organized that they will become not only a commercial bulwark but a powerful aid to national defense.

The Underwood Tariff Act is a complete failure in every respect. Under its administration, imports have enormously increased in spite of the fact that intercourse with foreign countries has been largely cut off by reason of the war, while the revenues of which we stand in such dire need have been greatly reduced.

Under the normal conditions which prevailed prior to the war it was clearly demonstrated that this act deprived the American producer and the American wage earner of that protection which enabled them to meet their foreign competitors, and but for the adventitious conditions created by the war, would long since have paralyzed all forms of American industry and deprived American labor of its just reward.

It has not in the least degree reduced the cost of living, which has constantly advanced from the date of its enactment. The welfare of our people demands its repeal and the substitution of a measure which in peace as well as in war will produce ample revenue and give reasonable protection to all forms of American production in mine, forest, field, and factory.

We favor the creation of a tariff commission with complete power to gather and compile information for the use of Congress in all matters relating to the tariff.

1920 PLATFORM

International trade and tariff

The uncertain and unsettled condition of internal balances, the abnormal economic and trade situation of the world, and the impossibility of forecasting accurately even the near future, preclude the formulation of a definite program to meet conditions a year hence. But the Republican Party reaffirms its belief in the protective principle and pledges itself to a revision of the tariff as

soon as conditions shall make it necessary for the preservation of the home market or American labor, agriculture, and industry.

1924 PLATFORM

The tariff

We affirm our belief in the protective tariff to extend needed protection to our productive industries. We believe in protection as a national policy with equal regard to all sections and to agriculture and industry. It is only by adherence to this policy that the interests of the consumers can be safeguarded and American agriculture, American labor, and American manufacturers be assured a return sufficient to perpetuate American standards of life.

A protective tariff is designed to support the high American economic level of life for the average family and to prevent a lowering to the levels of economic life prevailing in other lands. It is the history of the Nation that the protective system has ever justified itself by promoting industrial activity and employment, enormously increasing our purchasing power, restoring confidence, and bringing increased prosperity to all.

The tariff protection to our industry works for increased consumption of domestic agricultural products by an employed population instead of one unable to purchase the necessities of life. Without the strict maintenance of the tariff principle our farmers will need always to compete with cheap lands and cheap labor abroad, and with lower standards of living.

The enormous value of the protective principle has once more been demonstrated by the effects of the Emergency Tariff Act of 1921 and the Tariff Act of 1922.

We believe that the power of the President to decrease or increase any rate of duty in the tariff act furnishes a safeguard against excessive duties and against too low customs charges, and affords ample opportunity for tariff duties to be adjusted after a hearing that they may cover the actual differences in the cost of production in the United States and the principal competing countries of the world.

1928 PLATFORM

Tariff

We reaffirm our belief in the protective tariff as a fundamental and essential principle of the economic life of this Nation. While certain provisions of the present law require revision in the light of changes in the world competitive situation since its enactment, the record of the United States since 1922 clearly shows that the fundamental protective principle of the law has been fully justified. It has stimulated the development of our natural resources, provided fuller employment at higher wages through the promotion of industrial activity, assured thereby the continuance of the farmer's major market, and further raised the standards of living and general comfort and well-being of our people. The great expansion in the wealth of our Nation during the past 50 years, and particularly in the past decade, could not have been accomplished without a protective tariff system designed to promote the vital interests of all classes.

Nor have these manifest benefits been restricted to any particular section of the country. They are enjoyed throughout the land either directly or indirectly. Their stimulus has been felt in industries, farming sections, trade circles, and communities in every quarter. However, we realize that there are certain industries which cannot now successfully compete with foreign producers because of lower foreign wages and a lower cost of living abroad, and we pledge the next Republican Congress to an examination and where necessary a revision of these schedules to the end that American labor in these industries may again command the

home market, may maintain its standard of living, and may count upon steady employment in its accustomed field.

Adherence to that policy is essential for the continued prosperity of the country. Under it the standard of living of the American people has been raised to the highest levels ever known. Its example has been eagerly followed by the rest of the world whose experts have repeatedly reported with approval the relationship of this policy to our prosperity, with the resultant emulation of that example by other nations.

A protective tariff is as vital to American agriculture as it is to American manufacturing. The Republican Party believes that the home market, built up under the protective policy, belongs to the American farmer, and it pledges its support of legislation which will give this market to him to the full extent of his ability to supply it. Agriculture derives large benefits not only directly from the protective duties levied on competitive farm products of foreign origin but also, indirectly, from the increase in the purchasing power of the American workmen employed in industries similarly protected. These benefits extend also to persons engaged in trade, transportation, and other activities.

The Tariff Act of 1922 has justified itself in the expansion of our foreign trade during the past 5 years. Our domestic exports have increased from \$3,800,000,000 in 1922 to \$4,800,000,000 in 1927. During the same period imports have increased from \$3,100,000,000 to \$4,400,000,000. Contrary to the prophecies of its critics, the present tariff law has not hampered the natural growth in the exportation of the products of American agriculture, industry, and mining, nor has it restricted the importation of foreign commodities which this country can utilize without jeopardizing its economic structure.

The United States is the largest customer in the world today. If we were not prosperous and able to buy, the rest of the world also would suffer. It is inconceivable that American labor will ever consent to the abolition of protection, which would bring the American standard of living down to the level of that in Europe, or that the people in this country were curtailed and its market at home, if not destroyed, at least seriously impaired.

1932 PLATFORM

The tariff

The Republican Party has always been the staunch supporter of the American system of a protective tariff. It believes that the home market, built up under that policy, the greatest and richest market in the world, belongs first to American agriculture, industry, and labor. No pretext can justify the surrender of that market to such competition as would destroy our farms, mines, and factories, and lower the standard of living which we have established for our workers.

Because many foreign countries have recently abandoned the gold standard, as a result of which the costs of many commodities produced in such countries have, at least for the time being, fallen materially in terms of American currency, adequate tariff protection is today particularly essential to the welfare of the American people. The Tariff Commission should promptly investigate individual commodities so afflicted by currency depreciation, and report to the President any increase in duties found necessary to equalize domestic with foreign costs of production.

To fix the duties on some thousands of commodities, subject to highly complex conditions, is necessarily a difficult technical task. It is unavoidable that some of the rates established by legislation should, even at the time of their enactment, be too low or too high. Moreover, a subsequent change

in costs or other conditions may render obsolete a rate that was before appropriate. The Republican Party has, therefore, long supported the policy of a flexible tariff, giving power to the President, after investigation by an impartial commission and in accordance with prescribed principles, to modify the rates named by the Congress.

We commend the President's veto of the measure, sponsored by Democratic Congressmen, which would have transferred from the President to the Congress the authority to put into effect the findings of the Tariff Commission. Approval of the measure would have returned tariff making to politics and destroyed the progress made during 10 years of effort to lift it out of logrolling methods. We pledge the Republican Party to a policy which will retain the gains made and enlarge the present scope of greater progress.

We favor the extension of the general Republican principle of tariff protection to our natural-resource industries, including the products of our farms, forests, mines, and oil wells, with compensatory duties on the manufactured and refined products thereof.

1936 PLATFORM

Tariff

Nearly 60 percent of all imports into the United States are now free of duty. The other 40 percent of imports compete directly with the product of our industry. We would keep on the free list all products not grown or produced in the United States in commercial quantities. As to all commodities that commercially compete with our farms, our forests, our mines, our fisheries, our oil wells, our labor, and our industries, sufficient protection should be maintained at all times to defend the American farmer and the American wage earner from the destructive competition emanating from the subsidies of foreign governments and the imports from low-wage and devaluated-currency countries.

We will repeal the present reciprocal-trade-agreement law. It is futile and dangerous. Its effect on agriculture and industry has been destructive. Its continuation would work to the detriment of the wage earner and farmer.

We will restore the principle of the flexible tariff in order to meet changing economic conditions here and abroad and broaden by careful definition the powers of the Tariff Commission in order to extend this policy along nonpartisan lines.

We will adjust tariffs with a view to promoting international trade, the stabilization of currencies, and the attainment of a proper balance between agriculture and industry.

We condemn the secret negotiation of reciprocal trade treaties without public hearing or legislative approval.

1940 PLATFORM

Tariff and reciprocal trade

We are threatened by unfair competition in world markets and by the invasion of our home markets, especially by the products of state-controlled foreign economies.

We believe in tariff protection for agriculture, labor, and industry, as essential to our American standard of living. The measure of the protection shall be determined by scientific methods with due regard to the interest of the consumer.

We shall explore every possibility of reopening the channels of international trade through negotiations so conducted as to produce genuine reciprocity and expand our exports.

We condemn the manner in which the so-called reciprocal trade agreements of the New Deal have been put into effect without adequate hearings, with undue haste, without proper consideration of our domestic producers, and without congressional approval. These defects we shall correct.

1944 PLATFORM

Foreign trade

We assure American farmers, livestock producers, workers, and industry that we will establish and maintain a fair protective tariff on competitive products so that the standards of living of our people shall not be impaired through the importation of commodities produced abroad by labor or producers functioning upon lower standards than our own.

If the postwar world is to be properly organized, a great extension of world trade will be necessary to repair the wastes of war and build an enduring peace. The Republican Party, always remembering that its primary obligation, which must be fulfilled, is to our own workers, our own farmers, and our own industry, pledges that it will join with others in leadership in every cooperative effort to remove unnecessary and destructive barriers to international trade. We will always bear in mind that the domestic market is America's greatest market and that tariffs which protect it against foreign competition should be modified only by reciprocal bilateral trade agreements approved by Congress.

1948 PLATFORM

At all times safeguarding our own industry and agriculture, and under efficient administrative procedures for the legitimate consideration of domestic needs, we shall support the system of reciprocal trade and encourage international commerce.

NATIONAL REPUBLICAN PLATFORM FOREIGN TRADE PLANK

1950

The Foreign Trade Plank: Excerpt from the Republican principles and objectives adopted on February 6, 1950, by the Republican National Committee, in cooperation with the Republican Policy Committees of the United States Senate and the House of Representatives in Washington, D. C.

"We favor the promotion of world trade on the basis of fair and reasonable competition and we assert that this can be done within the Republican principle that foreign products of underpaid foreign labor shall not be admitted to this country on terms which endanger the living standards of the American workman or the American farmer, or threaten serious injury to a domestic industry. A strong American economy is a vital factor for our security."

This is in line with the flexible import fee bill offered as a substitute for the 1934 Trade Agreements Act (the first part of the administration's three-part free trade program) in September of 1949—and is now in the Senate Finance Committee as a regular bill.

The foreign trade plank in the national Republican platform is also in accord with the resolutions passed in 1949 by the Nevada Republican State Executive Committee, the Nevada State Farm Bureau, and by the Ploche Union Local, No. 407, CIO, the White Pine County Central Labor Council, the Legislative Committee of Local Lodge 706 International Association of Machinists and the Property Owners Association of Clark County, State of Nevada, and the Washoe County Central Trades Council. Signed by Angus Cauble, president of the council and Harry Depoali, president of the Nevada State American Federation of Labor.

A SHORT TARIFF HISTORY OF THE UNITED STATES

I. DEFINITION OF TARIFFS

There are two basically different kinds of tariffs:

- (a) Revenue tariffs.
- (b) Protective tariffs.

A revenue tariff is one which is levied on imports with the objective of raising the maximum revenue for the support of the Government. To maximize revenue it is necessary to have large imports which require low tariff rates.

A protective tariff is one which is designed to protect domestic manufactures, or mining, or agriculture from imports from abroad. The more protective a tariff is, the more it will keep out imports. A tariff which is 100 percent protective will keep out all imports. Hence, a completely protective tariff will yield no revenue to the Government since there will be no imports.

II. HISTORY OF UNITED STATES TARIFFS FROM 1780 TO 1949

A short survey of tariff history of the United States can be best described by dividing it into seven periods.

A. The period 1780 to 1789 (American Government under the Articles of Confederation).

B. The period 1789 to 1816 (interval from the establishment of the United States under the Constitution to the end of the War of 1812).

C. The period 1816 to 1861 (interval from the end of the War of 1812 to the beginning of the Civil War).

D. The period 1861 to 1913 (interval from the Civil War to Woodrow Wilson's free-trade program).

E. The period of 1913 to 1921 (interval of free-trade tariffs under Woodrow Wilson and the Democrats).

F. The period 1921 to 1934 (interval of protective tariffs under Republican administration).

G. The period 1934 to 1948 (interval of trade agreements and free trade).

The principal development during each of these seven periods will be described in order.

A. Confederation period, 1780-89

When the 13 American Colonies declared their independence from England, they formed a provisional Government in 1776 known as the Confederation Government which provided for a Continental Congress. The new Government operated under the Articles of Confederation which were finally ratified in 1781.

Under the Confederation Government, the individual States levied numerous tariffs, many of which were definitely protective tariffs.

During the period from 1780 to 1789 Pennsylvania enacted 15 tariff acts; Virginia, 12; Massachusetts, New York, and Maryland, 7 each; Connecticut, 6, and the other States a lesser number.

The tariffs levied in the Middle Atlantic and New England States were protective tariffs or for purposes of retaliation, while those of the Southern States were chiefly revenue tariffs.

B. Period from 1789 to 1816

With the establishment of the United States Government in 1789, control over foreign commerce was reserved to the Federal Government so that the individual States lost their power to levy import duties. The new Congress under the Constitution met for the first time on March 4, 1789, and its first act was to levy a tariff primarily for revenue purposes.

During the period from 1789 to 1816 numerous tariff acts were passed, but the first time a definite protective tariff system was passed was in 1816, after the close of the War of 1812. It was designed to protect the infant manufacturing industries that had sprung up during the war from a flood of cheap postwar manufactured products from England.

The revenue tariff passed in 1789 provided for import duties ranging from 5 percent to 15 percent, with no commodities on the

free list. A 5-percent duty was levied on all commodities not otherwise enumerated.

From 1789 to the beginning of the War of 1812, Congress passed 13 tariff laws, raising duties on some commodities to secure higher revenues and placing other commodities on the free list.

The average level of tariffs from 1791 to 1812, found by dividing the duties collected by the value of the dutiable imports each year, ranged from 11.2 percent in 1795 to 37.2 percent in 1808. The level of tariffs for each year from 1791 to 1812 is as follows:

Rate of duty on dutiable imports

Year:	Percent
1791.....	15.34
1792.....	11.54
1793.....	14.68
1794.....	17.10
1795.....	11.21
1796.....	12.02
1797.....	15.60
1798.....	19.99
1799.....	19.70
1800.....	17.42
1801.....	16.61
1802.....	30.67
1803.....	20.52
1804.....	22.76
1805.....	19.19
1806.....	21.22
1807.....	20.09
1808.....	37.22
1809.....	18.80
1810.....	14.07
1811.....	35.62
1812.....	13.07

The average level of tariffs for the 10-year period from 1791 to 1800 was just under 15 percent (14.89 percent) while for the 10-year period 1801 to 1810 it was 21.4 percent.

It is of great interest to note that during the first two decades of the Republic the tariff level ranged from 15 to 21 percent, a period when tariffs were primarily for revenue and not for protection. This was the free-trade period in American tariff history. Yet last year, 1948, the average tariffs on dutiable imports were only 13.7 percent, an amount lower than during the first 25 years of our history. It can truly be said that today America is a free-trade country, with the lowest level of tariffs in its history, with tariffs lower than the revenue tariffs of 150 years ago.

C. Tariffs from 1816 to 1861

The 45-year period from 1816 to the Civil War in 1861 was marked by the inauguration of a protective-tariff system in 1816 just after the close of the War of 1812. Increasing protection was given manufactures for the next 15 to 20 years, after which the level of protective tariffs showed a downward trend to 1861.

The upward trend of protective tariffs to 1830 and the trend toward lower protective tariffs from 1830 to 1860 is indicated in the average tariff level by 10-year periods from 1810 to 1860. These were as follows:

Duties collected as a percent of the value of dutiable imports

10-year period:	Percent
1811-20.....	24.06
1821-30.....	37.47
1831-40.....	31.22
1841-50.....	27.01
1851-60.....	24.06

While protective tariffs when averaged for 10-year periods varied from a low of 24 percent to a high of 37 percent, the range for individual years was much greater. In 1830 the tariff level was 47.59 percent and was in excess of 40 percent for the years 1826, 1828, 1829, 1833, and 1835. For the 10 years ending in 1845, with the exception of 1 year, the tariff level was never less than 25 percent and never over 30 percent. From a level of

30 percent in 1845 the tariff declined gradually during the next 15 years to a level of only 19 and a fraction percent for the years 1859, 1860, and 1861. This was the lowest tariff level reached until 1920 when the Wilsonian free trade tariff took effect at the end of World War I.

The principal tariff acts passed between 1816 and 1861 were the acts of 1816, 1824, 1828, 1833, 1842, 1846, and 1867. The first three of these acts (1816, 1824, and 1828) raised tariffs and gave a high degree of protection to cotton and woolen goods and to some kinds of iron. In the tariff of 1828, for example, tariffs on woolen goods reached 100 percent ad valorem.

Beginning with the tariff act of 1833, protective duties were lowered in each successive tariff act with the exception of the 1842 act which raised tariffs for the 4-year period from 1842 to 1846. The Walker Tariff Act of 1846 and the Tariff Act of 1857 brought about substantial reductions in tariffs, the average tariff level falling from 29.2 percent in 1846 to 19.1 percent in 1861.

It was during the congressional battles over the tariff acts of 1828 and 1833 that the split between the South and the North over protective tariffs became acute, the South favoring tariffs for revenue only and the North favoring high tariffs to protect manufacturers who were rapidly expanding in the Northern States.

D. Tariffs from 1861 to 1913

The 53-year period from the beginning of the Civil War to the inauguration of Woodrow Wilson in 1913 was a period when the Republican Party was in power almost all of the time and when the tariffs were maintained consistently at a protectionist level. The annual level of the tariff by 10-year periods from 1860 to 1913 never fell below 40 percent and never rose much above 40 percent, although the level nearly reached 50 percent from 1898 to 1904. The average annual tariff level by decades during this period was as follows:

Tariff level (annual average)

10-year period:	Percent
1861-70.....	44.62
1871-80.....	41.95
1881-90.....	44.53
1891-1900.....	46.73
1901-10.....	45.20

During the Civil War period from 1861 to 1865 a series of tariff acts was passed, the net effect of which was to raise the level of tariffs from 19.1 percent in 1861 to 53.1 percent in 1865. Tariffs were raised for three reasons: To increase revenues to help finance the war; to provide additional protection for manufacturing; and to impose countervailing duties to equal the internal-revenue taxes levied on various manufactured products as a means of helping to finance the war.

During the first few years after the war ended in 1865 tariffs were lowered on various commodities, such as coffee, tea, sugar, spices, etc., but these were revenue tariffs. At the same time tariff duties on woolens and other manufactured goods of certain kinds were increased. The net effect was to maintain the protective-tariff general level above 40 percent, or over twice that when the war began.

The election of Grover Cleveland on the Democratic ticket in 1892 led to the passage of the Wilson Tariff Act—named for the Congressman who introduced the bill—in 1894. Some duties were reduced under the 1894 act, but the net effect on the general level of tariffs was slight.

When the Republicans came back into power with the election of McKinley in 1896, they quickly passed a new tariff act on July 24, 1897, known as the Dingley Act. This act provided for substantial increases in pro-

tective-tariff duties on many commodities so that for the next 7 years the average tariff level was about 50 percent. This was the peak level of protective tariffs for a seven-consecutive-year period throughout our entire history.

This 7-year period of high protective tariffs averaging about 50 percent came to an end with the year 1904. For this year the tariff level was 49 percent and gradually sank year by year to a level of 40 percent for the year 1913.

Brief mention should be made of the Payne-Aldrich Tariff Act passed in 1909 by the Republicans under President Taft. Both major parties in the election of 1908 adopted a plank in their platform favoring a downward revision of the tariff. This Tariff Act provided for reductions in tariffs on 584 items and for increases on 300 items, many of which were on cotton goods of various types. The net effect of this tariff was to bring about a slight decrease in the tariff level from 1909 to 1913. The tariff level fell from 43 percent in 1909 to 40 percent in 1913.

E. Tariffs from 1913 to 1921

In the election campaign of 1912 the Republican Party came out boldly in its platform in favor of protective tariffs, while the Democratic Party platform came out flatly opposed to all protective tariffs and stated it believed in tariffs for revenue only. In fact, the Democratic platform went so far as to assert the following:

"We declare it to be a fundamental principle of the Democratic Party that the Federal Government, under the Constitution, has no right or power to impose or collect tariff duties except for the purpose of revenue."

Because of the split in the Republican Party occasioned by Teddy Roosevelt's formation of the Bull Moose Party, the Democrats won the election and Woodrow Wilson became President on March 4, 1913.

The first thing Congress did after Wilson's inauguration was to take up the question of revision of the tariffs and on October 3, 1913, the Underwood Tariff Act was passed. The Underwood tariff reduced tariffs on many commodities and eliminated tariffs entirely on a large number of commodities, placing them on the free list.

Under the Underwood tariff the following commodities were deprived of all tariffs and placed on the free list: Raw wool; metals; agricultural products including live cattle, meats, wheat, corn, flax, tea, hemp; and numerous manufactures including boots, shoes, gunpowder, wood pulp, and print paper.

The full economic effects of these drastic reductions in tariffs could not be measured during the immediate years that followed because 9 months after the passage of the act, World War I broke out in Europe. The war greatly increased the demand for United States exports and greatly reduced imports from Europe at the same time that imports increased from other continents. But even so a pronounced drop in the tariff level occurred between 1914 and 1918 which became even greater in the 2 years following the war. The tariff level by years from 1913 to 1920 was as follows:

	Percent
1913.....	40.1
1914.....	37.6
1915.....	33.4
1916.....	30.7
1917.....	27.2
1918.....	24.4
1919.....	21.3
1920.....	16.4

These levels of tariff just described are the ratio between the value of duties collected and the value of all dutiable imports. If the value of imports on the free list are included, the tariff level for 1921 was only 6.4 percent compared with 17.7 percent for 1913.

It is of interest to note that the level of protective tariffs fell over 50 percent in 5 years and fell 33 percent during the 2-year period 1918 to 1920. It is also significant to note that a slump in prices and widespread unemployment accompanied these rapid reductions in protective tariffs.

So disastrous had become the fall in prices and unemployment in 1920, particularly the fall in agricultural prices, that an emergency tariff was rushed through May 28, 1921. The return of the Republican Party to power in the Presidential election in November 1920, paved the way for new tariff legislation providing for adequate protective tariffs.

F. Tariffs from 1921 to 1934

During the 14-year period from 1921 to 1934 three important tariff acts were passed; the Emergency Tariff Act of 1921, the Fordney-McCumber Tariff Act of 1922, and the Hawley-Smoot Tariff Act of 1930.

The Emergency Tariff Act of 1921

The Emergency Tariff Act of 1921 was rushed through primarily for three reasons. In the first place, it was to satisfy the widespread demand of American farmers for protection from imports of foreign agricultural products. In the second place, it was to prevent the dumping of foreign-produced goods in the United States at prices below the foreigners' cost of production. Finally, in the third place, it was to provide for the protection of American producers against the devaluation of foreign currencies, a device which was widespread after World War I as a means of circumventing protective tariffs of other countries.

The tremendous slump in farm prices following loss of foreign markets threatened the American farmer with competition from foreign agricultural producers and was the principal reason for rushing through the tariff legislation in 1921. Protective duties were levied on imports of wheat, flax seed, corn, beans, peanuts, potatoes, onions, rice, peanut, cottonseed and soya bean oils, cattle, sheep, and fresh or frozen meats. The import duty levied on wheat was 35 cents per bushel, on corn 15 cents per bushel, on potatoes 25 cents per bushel, on beans 2 cents per pound, and sheep \$2 per head, on fresh or frozen meats 2 cents per pound, on peanuts 3 cents per pound, on rice 2 cents per pound, on cattle 30 percent ad valorem, and meats of all kinds, prepared or preserved, not specially provided for, 25 percent ad valorem. Protective duties were also levied on cotton, wool, sugar, butter, cheese, milk, tobacco, apples, cherries, and other products.

The Fordney-McCumber Tariff Act of 1922

The Emergency Act of 1921 was superseded the following year by the Fordney-McCumber Tariff Act of 1922.

Since the passage of the Underwood Tariff Act in 1913 drastic changes in the economic conditions in the United States and other countries had occurred as a result of World War I and the conditions which followed the war. These changes in conditions in world production and trade required a reappraisal of American tariff policy. In general the tariff adjustments of 1922 took the form of higher duties. The enactment of higher import duties in 1922 may be attributed to the following five causes:

1. Fear of excessive imports following the cessation of hostilities and the return to more normal conditions.
2. The demand for higher duties by a number of industries, especially chemical and mineral, newly created or greatly expanded as a result of the extraordinary demands made upon them by the shutting off of foreign sources of supply during the war.
3. The increased competition encountered by staple agricultural products resulting from overproduction in domestic areas under the stimulus of war conditions and the return to production of low-cost areas de-

veloped during the war as well as by the return to production in various war areas.

4. The demand that industries producing material essential to war be encouraged.

5. Changes in economic conditions resulting from depreciation of currency in many European countries and from the depression of 1921.

The professed general objective of the 1922 Tariff Act was to restore import duties to approximately the level prevailing before the Underwood Tariff Act of 1913. In the majority of schedules this was actually done although in individual cases duties were lowered while in other cases they were raised above the 1913 level. For example, duties were raised on chemicals, oils, and paints from 22 to 29 percent ad valorem, on metals and manufactures of metals from 24 to 33 percent ad valorem, and on wood and manufactures of wood from 13 to 24 percent. On the other hand, import duties on tobacco and manufactures of tobacco were reduced from 83 to 54 percent, while duties on spirits, wines, and other beverages were reduced from 90 to 39 percent ad valorem. The net effect of all the changes can be seen by comparing the ad valorem rate of duty on dutiable imports for the year 1914 and the year 1926, 4 years after the passage of the act. In 1926 import duties collected averaged 39 percent of the value of all dutiable imports compared with 38 percent for the year 1914. For the entire period from the passage of the Fordney-McCumber Act, September 22, 1922, to the passage of the Hawley-Smoot law, June 18, 1930, the average import duties were 38.5 percent of the value of all dutiable imports.

Under the Payne-Aldrich tariff from 1909 to 1913 import duties were 40.8 percent of the value of dutiable imports. Hence, it will be seen that the protective tariffs under the Republicans during the decade following World War I were lower than the tariffs prior to the First World War. Furthermore, during the decade of the 1920's a larger percent of our imports came in free of any duties than during the prewar period, 1909 to 1913. During the decade of the 1920's 64 percent of all our imports came in free of duty while only 53 percent of all imports came in free of duty during the period 1909 to 1913.

Flexible Tariff Provisions

The Tariff Act of 1922 also provided, in section 315, for a system of flexible tariffs in order to equalize foreign and domestic costs of production. The President was authorized to increase or decrease existing rates of duties by not more than 50 percent after investigation by the Tariff Commission. Very few changes, however, were made under this authorization prior to 1934 and, in these cases where the President exerted his power, it was usually to raise duties.

Another important provision of the act of 1922 was that contained in section 316, which provided for additional duties, or in extreme cases, that imports might be completely prohibited, if a foreign country engaged in unfair competition.

The Hawley-Smoot Tariff Act of 1930

The Hawley-Smoot Tariff Act of 1930 was passed primarily in order to provide still greater protection for the American farmer against competitive imports of oil, fats, dairy products, hides, skins, and numerous other agricultural products. The purpose was to preserve the home market in these commodities for the American farmer. Furthermore, certain other industries were experiencing increased competition from imports of foreign goods and demanded more protection. Some increases in import duties on industrial products were, also, made to compensate for the higher duties upon raw materials which were provided by the 1930 act.

The net effect of the various tariff changes in the Hawley-Smoot Tariff Act was to raise the average import-duty level over the 1922

act from 38 percent to 41 percent ad valorem. Since, however, the period from 1930 through 1933 was one of depression and declining prices and, since many duties were specific, the net effect was to raise the average level of tariffs considerably above 41 percent. The average amount of import duties collected as a percentage of the value of all dutiable imports reached 59.1 percent for the year 1932, but by 1935, as prices rose, had dropped back to 42.9 percent.

The Hawley-Smoot Act of 1930 continued the flexible tariff provisions of the 1922 act, which authorized the President to increase or decrease the duties by as much as 50 percent on recommendation of the Tariff Commission. One change was made, however. The power of the Tariff Commission was strengthened and the President was no longer given the power to alter the actual rate recommended.

The Revenue Acts of 1932 and 1934

In 1932 an amendment was attached to a revenue act providing for the imposition of duties on petroleum, petroleum products, coal, lumber, and copper. In 1934 similar action was taken with respect to whale and fish oils. These new duties were classed as import taxes and were not considered as import duties subject to the provisions of the Tariff Act of 1930.

Conclusions, 1920-34 Period

In conclusion, it may be stated that the level of protective tariffs under the Republicans from 1922 to 1930 was slightly lower than the level which prevailed from 1880 to 1913. Under the Hawley-Smoot tariff of 1930 the level of tariff rates was slightly increased but the actual effect was a substantial temporary increase in the tariff level because of the rapid fall in prices from 1930 to 1933. With the return of rising prices, which began in 1932, the protective-tariff level started to decline and in 1936 fell to 39.2 percent. This is a level approximately equal to that during the 1920's under the Fordney-McCumber Act. Not enough trade agreements had been signed by 1936 under the terms of the Trade Agreements Act of 1934 to noticeably affect the tariff level. During 1934 and 1935 only nine trade agreements had been signed and in every case but one were with small countries such as Belgium, Cuba, Haiti, and Honduras.

G. Tariffs from 1934 to 1949

Despite the fact that there have been no new tariff acts since the enactment of the Smoot-Hawley Act in 1930, we must regard the period from June 1934 to the present as a separate one in the tariff history of the United States. On the 12th of June 1934 Congress passed an amendment to the Tariff Act of 1930, the so-called Trade Agreements Act. With this amendment Congress authorized the President to negotiate and enter into foreign-trade agreements. To give the President bargaining power he was authorized to raise or lower tariffs a maximum of 50 percent of the rates of the Tariff Act of 1930. The ostensible reason for surrendering the legislative function in regard to making tariffs was the desire to assist in the then existing emergency in restoring the American standard of living, in overcoming domestic employment and the present economic depression, etc.

In advocating this means of reducing tariffs, the Roosevelt administration lived up to its commitments in the Democratic Party platform of the 1932 election, when the party had pledged reduction of tariffs. The act had been passed primarily as an emergency

measure, and under the terms of the act its duration was to be 3 years. However, under this authority the administration reduced tariffs to the lowest level in United States history, and several extensions of the act continued it far beyond the point when it could have had any justification as an emergency measure. In 1937 and 1940 the act was extended for 3 years each, and in 1943 for 2 years only. In 1945 it was extended for another 3 years, and the President was again entitled to raise or lower the rates of duty by a maximum of 50 percent of the rates in force on January 1, 1945. In other words, those products which had suffered a reduction by 50 percent of the rate under the 1930 act by virtue of the first Trade Agreements Act, could again be affected by a further reduction of 50 percent. Thus, on a good number of products the reduction of duties reached 75 percent of the rates provided for under the Tariff Act of 1930. In 1948 the Trade Agreements Act was continued for 1 year only, with a few changes, the most important being the provision for peril-point studies by the Tariff Commission.

Under the Trade Agreements Act trade agreements with 42 nations are in effect today. Twenty-three of these agreements were negotiated in one great tariff-cutting festival at Geneva, Switzerland, where 23 nations bartered and horse-traded with each other for tariff reductions.

At the present time in Annecy, France, the GATT nations have again met to discuss the results of the first Geneva agreements on tariffs and trade, and to negotiate with 13 more nations on further tariff cuts.

The agreements entered into under the Trade Agreements Act are executive agreements and as such are not subject to congressional approval. The function of legislating on tariffs was surrendered to the President under the 1934 act.

Mr. MALONE. Mr. President, I ask unanimous consent to have inserted in the RECORD at this point excerpts from a press dispatch appearing in the Washington Times-Herald of May 23, 1951.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

In his attack on the legislation, MALONE denounced the reciprocal trade agreements as "farfetched" and "delusory." He said American living standards are threatened by tariff reductions negotiated by the State Department, which are opening United States markets to sweatshop labor in Europe and Asia.

SEES PROSPERITY PERILED

"Unaccustomed as the Senate has become to dealing with national issues within the legal and ethical framework of our Constitution," he said, "I cannot refrain from making a plea on behalf of the citizens of the United States—the 150,000,000 people who look to us to safeguard their welfare and who make the sacrifices incident to supporting their Federal Government and activities.

"I am well aware that it has become naive to concern oneself with the plight of the American workingman and the American taxpayer, just as it has become naive to place the interests of America anywhere but at the bottom of the international donation list. But my conscience will not permit me to remain silent when the strength and prosperity of America are in jeopardy," MALONE said.

Mr. MALONE. Mr. President, I also ask unanimous consent to have included

at this point in the RECORD a Washington Times-Herald dispatch of Tuesday, May 22, 1951.

There being no objection, the dispatch was ordered to be printed in the RECORD, as follows:

MALONE DEPICTS HOW TRADE PACTS HURT BUSINESSES

(By William Strand)

The effects of New Deal tariff policies on American industry were pointedly illustrated yesterday on the Senate floor by Senator MALONE, Republican, of Nevada.

The Senator barged into the Senate bearing a pair of household sewing machines. He plunked them on his desk beside copies of the CONGRESSIONAL RECORD and a stack of notes and other documents.

Then he began speaking against legislation before the Chamber, calling for a 2-year extension of the administration's reciprocal trade-agreements program.

LABOR COST DIFFERENCE

Both the sewing machines were table models. Both were electrical. Both were of a size and shape familiar in American homes for more than a generation. One was made in America, said MALONE.

It cost a dealer \$86.25. Its retail selling price was \$109.95. The other was made in Japan, MALONE continued. It cost an importer slightly more than \$20. After it reached this country, a motor, a light, and a carrying case were added, bringing the total cost to a wholesaler or jobber to approximately \$27.

This machine, the Senator said, sold at retail last Friday for \$77.50. The difference was in the cost of labor which went into the manufacture of each of the machines, MALONE asserted.

The workingman who built the Jap machine, he said, was paid 12 cents an hour. The American who produced the similar machine in this country got an average of \$1.75 per hour.

When the two machines reached the retail market, he emphasized, they competed on an equal footing for an American purchaser.

"Congress must decide whether it wants to maintain our American standard of living or continue the present administration's foreign trade," the Senator declared.

STANDARDS THREATENED

"Our present standard of living is seriously threatened by foreign sweatshop labor competition, permitted and encouraged by this legislation. It is idiocy to say that we can compete with foreign, low-wage markets on a free trade basis without lowering our own standards.

The competition from abroad being offered the United States sewing machine industry, MALONE charged, is merely one example of how the reciprocal trade agreements have laid a heavy hand on 8,000 American enterprises.

He said the program, dating from 1934, represents an attempt to promote world trade at the expense of American labor.

"Any one-economic-world plan will bring about a leveling of conditions of employment everywhere," MALONE told his colleagues.

"Leveling in this form means the lowering of American standards which are traditionally the highest in the world."

TARIFFS BELOW PERIL POINT NOW

Mr. MALONE. Mr. President, our tariffs and import fees, as explained by the

junior Senator from Nevada, are already generally substantially below the so-called peril point after 18 years of tampering by an incompetent State Department having no sense of the delicate balance between the markets and wages and investments.

The tariff or import fee levied upon cheap foreign labor goods, to provide a fair and reasonable competitive price level, goes into the United States Treasury and can be utilized to reduce the national debt, for the current operating expenses of the Government, or to lower taxes.

So there we have a twofold purpose. The real purpose is to provide fair and reasonable competitive bases, and to provide markets for all the goods of the world in the United States of America on that principle. The secondary effect would be that a considerable amount of money would be collected for the United States Treasury.

Mr. WHERRY. Mr. President, will the Senator yield to me so I may ask unanimous consent to be excused from the session of the Senate for an hour?

Mr. MALONE. I yield to the Senator from Nebraska for that purpose.

Mr. WHERRY. Mr. President, I make that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MALONE. Mr. President, it is the fairest imaginable levy since the source of such imports is largely the foreign countries where industrial plants have been financed by the American taxpayers through the Marshall plan, or the point 4 program.

The tariff or import fee will render the continued use of sweat-shop labor unprofitable, and thus foreign living standards may begin to rise.

Foreign nations must be encouraged to create their own markets through gradually raising their own low-wage standard of living—just as has been done in this country.

Families existing upon 50 cents to \$2.50 or \$3 per day are not in the market for radios, washing machines, refrigerators, electric appliances, and automobiles. One American worker who can be protected by that fair and reasonable principle is in the market for more goods than 50 such families in low-wage countries.

The State Department's free-trade program not only encourages the nations to hold their wages down to undersell like products in this country, but through opening our market wide to them without any equalizer of the wide differential between the living standard wages here and abroad the result can only be a substantial lowering of our own hard-earned standards.

No working man in this Nation has ever objected, or no investor in this Nation has ever objected to competing on an even basis with any country where the prevailing wages are approximately the same.

Mr. President, at this point I ask unanimous consent to have printed in the RECORD the material upon which are based the tables which have been utilized in the debate, numbered 1, on the left, and No. 2 and No. 3, in the back of the Chamber.

The PRESIDING OFFICER. The Chair has been informed that charts cannot be printed in the RECORD.

Mr. MALONE. There is no request, Mr. President, to have the charts included. I simply ask that the material upon which tables Nos. 1, 2, and 3, are based may be printed in the RECORD, without the charts.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

TABLE II.—Hourly wage rates applicable to production in United States and foreign countries, selected from briefs submitted by industry members of the American Tariff League before CRI, 1950

Country	Item or work involved	Foreign wage rate	United States wage rate	Percentage of foreign to United States rate
United Kingdom	Lithographic products.....	\$0.52	\$2.44	0.21
	Vitrified chinaware.....	.30	1.35	.22
	Handmade glassware.....	1.39	1.75	.22
	Bicycles.....	.34	1.75	.20
	Sporting arms and firearms.....	.50	1.50	.33
	Clocks and watches.....	.36	1.46	.25
	Wool textiles.....	.35	1.32	.27
	Plastic dolls, plastics.....	12.00	55.00	.22
	Pottery.....	.40	1.40	.29
	Rayon industry.....	17.36	57.60	.30
	Stone and quarry.....	14.46	70.00-80.00	.21-.18
	Leather glove industry.....	.33	1.60	.21
	do.....	.20	.92	.22
	Chemicals and allied industries.....	.48	1.50	.37
	do.....	.33	1.57	.21
Canada	do.....	1.01	1.30	.78
	Aluminum industry.....	.90	1.59	.57
	Lead mining.....	1.20	1.59	.77
	Mechanical and electrical industries.....	.91	1.37	.66
France	Chemical industry.....	28-.80	1.57	.18-.51
	Mechanical and electrical industries.....	.29	1.44	.20
	Leav. lace industry, weaving and other.....	19-.28	.81-1.60	.23-.17
	Sporting arms and firearms.....	1.36-.39	1.50	.24-.26
	Vitrified chinaware.....	.26	1.35	.19
	Scientific instruments.....	.34	1.40-2.50	.24-.14
French Morocco	Lead mining.....	.12	1.56	.08
Japan	Clocks and watches.....	.14	1.46	.09
	Wool textiles.....	11.10	1.32	.08
	Vitrified chinaware.....	.10	1.35	.07
	Pottery.....	.09	1.40	.06
	Scientific instruments.....	.12	1.50	.08
Australia	Lead mining.....	1.10-1.25	1.56	.71-.80
Germany	Chemical industry.....	28-.83	1.57	.18-.53
	Mechanical and electrical industry.....	.35	1.37	.26
	Clocks and watches.....	.23	1.46	.16
	Pottery.....	.30	1.40	.21
	Scientific instruments.....	.29	1.50	.19
Italy	do.....	1.27	1.40-2.50	.19-.11
	Pottery.....	.20	1.40	.14
	Stone and quarry.....	11.21	70.00-80.00	.16-.14
	Vitrified chinaware.....	.23	1.35	.17
	Chemical industry.....	26-.56	1.57	.17-.36
	Sporting arms and firearms.....	12-.66	1.50	.40
	Vitrified chinaware.....	.28	1.35	.21
Sweden	Stone and quarry.....	17.76	70.00-80.00	.25-.27
Switzerland	Clocks and watches.....	.56	1.46	.38
Czechoslovakia	Vitrified chinaware.....	.20	1.35	.15
	Hand-made glassware.....	.36	1.75	.21
Peru	Lead mining.....	10.07-.09	1.56	.04-.06
Bolivia	do.....	10.07-.09	1.56	.04-.06
Mexico	do.....	10.30	1.56	.19
Turkey	Fig industry.....	14 2.00	20.00	.10
South Africa	Lead mining.....	.06-.10	1.56	.04-.06

¹ Before devaluation. Includes skilled and unskilled labor.

² Includes skilled labor only.

³ Weekly wage.

⁴ Male workers.

⁵ Female.

⁶ Based on weekly wage of \$21.07 for 44-hour week.

⁷ Wage data submitted by different source.

⁸ Includes overtime and 44-hour week.

⁹ After devaluation. Data submitted before the U. S. Tariff Commission, March 1950.

¹⁰ Data submitted before U. S. Tariff Commission, May 1950.

¹¹ Highest rate paid.

¹² Estimated.

¹³ Highest rate in Europe.

¹⁴ Per diem.

¹⁵ Per diem up to \$20.

TABLE I.—Comparative hourly earnings of employees in manufacturing for certain foreign countries and the United States—last quarter, 1949 (converted into dollars)

Country	Hourly earnings	Percentage of United States
United States.....	\$1.41	100
Canada.....	.92	65
Australia.....	.60	43
United Kingdom.....	.39	28
Germany.....	.29	21
France.....	.21	15
Japan.....	.12	9

¹ Computed on basis of 8-hour day, from reported daily earnings of \$0.97.

Source: Monthly Bulletin of Statistics, Statistical Office of United Nations (data based on International Labor Office information).

Mr. MALONE. Mr. President, this country was built upon the resources of freemen. The problem is an exchange of goods with other countries. The impact on our own people is not yet felt in all its destructive force, for two reasons:

One. We are still in the process of arming the mendicant labor of the world with our industrial machinery.

Two. We are bolstering our economy with subsidies paid to producers lacking adequate markets—and emergency contracts for war and other materials.

The industrial machinery for foreign countries, the subsidies bolstering sagging markets, and the emergency contracts are all being financed through so-called deficit financing and exorbitant taxes.

Mr. President, the tariff or import fee is simply a method of evening or compensating for any differential in the cost and productiveness of an hour's labor—as between this country and where the foreign competitor is located—so that an hour's labor here may be traded for an hour's labor in a foreign country without loss or gain to either nation, where the trade is a natural trade and assists both countries. That comes about naturally, Mr. President, when individuals of each nation buy and sell.

Mr. President, it makes no sense to raise the taxes of the people of America or indulge in deficit financing, through the selling of bonds to our people, to force trade, beyond the normal rate. Under present principles we are furnishing countries the money with which to buy our products on the theory that they will get so used to it that they will continue to do it even after we quit furnishing the money. We are forcing trade beyond the normal trade that comes about anyway between two areas of complementary economies. The present method of forcing artificial trade, is like two barbers in the same block trying to make a living shaving each other.

Mr. President, of course there would be no tariff on imports of goods not produced here. No one proposes anything of that kind. The only ones who do that are the foreign nations themselves who raise tariffs for revenue only, just as the Central American countries and Mexico are doing at this time, and just the same as England and many of the nations of Europe are doing. If anyone wants to know how that operates, all that is necessary is to ask someone who is trying to import his automobile into England or into some other country when he wants to take up residence there.

Mr. President, the amendment which I have offered substitutes a fair and reasonable competitive principle in place of a sharpshooting method which has been employed for 13 long years, and which it is now proposed be continued for 2 years, in the hands of a thoroughly discredited State Department, and industrially inexperienced State Department.

TRADE AGREEMENTS EXTENSION ACT OF
1951

During the delivery of Mr. MALONE's speech,

Mr. LODGE. Mr. President, I should like to say to the able Senator from Ne-

vada that I am sorry I have not been able to be present to listen to a great part of his able address because of my attendance on the hearings held by the Armed Services Committee and the Foreign Relations Committee, sitting jointly but I have listened to enough of his speech to know the patriotic motives which inspire him. While not agreeing with all his statements, I certainly pay my tribute to his persistence, his industry, and the completeness with which he is championing the cause. I think it has had a very beneficial effect.

I should like to make a brief statement, and, in order not to interrupt the Senator's remarks, I should be glad to have my statement appear at some other point in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LODGE. Mr. President, it seems to me that this bill embodies a workable method for promoting the advantage which comes to us from a sound international trade and at the same time for protecting our own essential industries from unfair and destructive competition.

While healthy international trade is a good thing which raises the standard of living, gives markets for Americans who produce goods for sale abroad, and enables foreign nations to pay their own way instead of being dependent on our own Treasury, there is also no doubt that it should not be conducted in such a way as to injure our national defense by crippling those industries on whose output the defense effort vitally depends, that it should not be conducted unjustly and that it is certainly not fair for a few American industries to carry the whole load of expense occasioned by foreign imports.

In international trade, the rules of justice and reason should apply. If it is good to reduce trade barriers in one part of the world, it is certainly a good thing to reduce them in other parts. If sweatshops are bad at home, as they certainly are, then they are bad abroad. If prevention of monopoly and encouragement of competition is a good thing at home, as we Americans know it to be, then it must be a good principle to encourage abroad.

The pending legislation seems to me designed to promote a sound foreign trade, making it possible for the United States to get the benefits of such a trade without its dangers. Of course, the administration of these laws, no matter how good the laws may be, is another matter. But I believe the pending bill to be workable and meritorious, and I intend to vote for it.

I thank the Senator from Nevada.

Mr. MALONE. Mr. President, I would regret it if the junior Senator from Massachusetts should leave the floor at this time without hearing my remarks.

Mr. LODGE. The hearing in which I am engaged is about to begin. There are two sessions a day. I shall remain for a few minutes.

Mr. MALONE. The Senator's statement is one of the greatest statements on both sides of a very important question that I have ever listened to.

Mr. LODGE. The Senator wants to be fair, I know. My statement is not on both sides at all; it is on the American side.

Mr. MALONE. If the Senator will listen, I will tell him why. It is impossible to protect an industry if we are going to lower the tariffs and import fees below a fair and reasonable basis and allow cheap foreign products to come in, because no human being can gage how much a tariff could be lowered without destroying the industry involved. If the distinguished Senator has not consulted firms in his own State, let me say that I know, from 15 years experience in the industrial engineering business, dealing with such firms, the businesses included in the top 10 percent are the ones which make a profit. The others merely carry the load. If we cut off that 10 percent, we destroy the industry. There is no such thing as the Secretary of State, with no experience, with no one under him having had any actual practical industrial experience, being able to determine how he can lower a tariff and not injure industry and throw men out of work.

Mr. LODGE. Permit me to say, in reply, that I agree that tariffs should never be reduced below the point which is essential to keep the industries going in a prosperous way. It is my understanding that the bill contains a peril-point amendment.

Let me say in connection with industries and with labor in my own State, that I am in close contact with many of them, and they are in support of the pending bill, because they think it will give them the protection which the Senator and I both want them to have.

Mr. MALONE. I am also in close touch with industries, and they are in favor of the amendments reported, because they are told that is all they can get.

I want to say for the benefit of the Senator that the peril point is a delusion, because tariffs are already below the peril point, at least those which have been acted upon through any one of the three conferences starting with Geneva and ending in Torquay. The peril point does not apply.

Mr. LODGE. Let me say to my able friend that I assume that the people who communicate with me know how to read the English language, and that they have reached the conclusion to support the bill on a basis of free will, and they sincerely want me to support the bill.

Mr. MALONE. I have no more comments on the correspondence of the distinguished Senator, but I say, categorically, that there is nothing in this bill that directs the President or the Secretary of State to do anything. The policy is already well founded; it is embedded in the heart of this administration, as the Senator well knows. It is to divide the markets, just as the Senator said in his very well-written statement. I did not misunderstand him when he said we would divide the markets, in effect, to such a point that nations could sell enough goods to support themselves and carry their own weight so we would not have to give them any more money. There is one paragraph which says just that.

escapable duty, to control the size and shape in the executive establishment.

We must begin with the State Department, cut it back and free the Defense Department from its tutelage by State. That is the only way we can begin to make an honest American foreign policy, and an honest American military policy.

With a true American policy, we may have peace or we may have war. But whatever comes, the American people will meet it, provided only it is peace with honor or war with honor.

TRADE AGREEMENTS EXTENSION ACT OF 1951

The Senate resumed the consideration of the bill (H. R. 1612) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

The PRESIDING OFFICER [Mr. PAS-TORE in the chair]. The question is on agreeing to the amendment, in the nature of a substitute, offered by the Senator from Nevada [Mr. MALONE].

Mr. JENNER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JENNER. Mr. President, I ask unanimous consent that I may withdraw my suggestion of the absence of a quorum, and that the order for the calling of the roll may be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment submitted by the Senator from Nevada [Mr. MALONE] in the nature of a substitute.

The amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment. If there are no further amendments to be proposed, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The question now is, Shall the bill pass?

Mr. MILLIKIN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MILLIKIN. What is the question at this time?

The PRESIDING OFFICER. The question is on the passage of the bill.

Mr. MILLIKIN. Am I correct in my understanding that no amendment is now before the Senate?

The PRESIDING OFFICER. That is correct.

The question is, Shall the bill pass?

Mr. TAFT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hickenlooper	Millikin
Anderson	Hill	Monroney
Bennett	Hoey	Moody
Benton	Holland	Morse
Bricker	Humphrey	Mundt
Butler, Nebr.	Hunt	Murray
Byrd	Ives	Neely
Cain	Jenner	Nixon
Capehart	Johnson, Colo.	O'Connor
Carlson	Johnson, Tex.	O'Mahoney
Case	Johnston, S. C.	Pastore
Chavez	Kem	Robertson
Connally	Kilgore	Russell
Cordon	Knowland	Saltonstall
Dirksen	Langer	Schoeppel
Douglas	Lodge	Smathers
Duff	Long	Smith, Maine
Dworshak	Magnuson	Smith, N. J.
Ellender	Malone	Sparkman
Ferguson	Martin	Stennis
Flanders	Maybank	Taft
Fulbright	McCarthy	Thye
George	McCarthy	Tobey
Green	McClellan	Underwood
Hayden	McFarland	Welker
Hendrickson	McKellar	Williams
Hennings	McMahon	

Mr. JOHNSON of Texas. I announce that the Senator from Kentucky [Mr. CLEMENTS], the Senator from Mississippi [Mr. EASTLAND], the Senator from Delaware [Mr. FREAR], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Oklahoma [Mr. KERR] are absent on official business.

The Senator from New York [Mr. LEHMAN] is absent by leave of the Senate on official business, having been appointed a member of the United States delegation to the World Health Organization, which met in Geneva, Switzerland.

The Senator from Iowa [Mr. GILLETTE] and the Senator from North Carolina [Mr. SMITH] are necessarily absent.

Mr. SALTONSTALL. I announce that the Senator from Maine [Mr. BREWSTER], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Maryland [Mr. BUTLER] and the Senator from Montana [Mr. ECTON] are absent on official business.

The Senator from Utah [Mr. WATKINS] is absent because of illness.

The Senator from North Dakota [Mr. YOUNG] is absent by leave of the Senate.

The Senator from Wisconsin [Mr. WILEY] is detained on official business.

The PRESIDING OFFICER. A quorum is present. The question is, Shall the bill pass?

Mr. GEORGE. Mr. President, I understand that the Senator from Nevada [Mr. MALONE] wishes to have a roll call in connection with his amendment in the nature of a substitute. We are ready for the vote. I ask unanimous consent that the order for the third reading of the bill be reconsidered and that the vote by which the amendment offered by the Senator from Nevada was rejected be also reconsidered, so that there may be a yea-and-nay vote upon the Senator's amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MALONE. Mr. President, I very much appreciate the request made by

the senior Senator from Georgia, because when the action was taken I had left the floor.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nevada [Mr. MALONE] in the nature of a substitute.

Mr. JENNER and other Senators asked for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. JOHNSON of Texas. I announce that the Senator from Kentucky [Mr. CLEMENTS], the Senator from Mississippi [Mr. EASTLAND], the Senator from Delaware [Mr. FREAR], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Oklahoma [Mr. KERR] are absent on official business.

The Senator from New York [Mr. LEHMAN] is absent by leave of the Senate on official business, having been appointed a member of the United States delegation to the World Health Organization, which met in Geneva, Switzerland.

The Senator from Iowa [Mr. GILLETTE] and the Senator from North Carolina [Mr. SMITH] are necessarily absent.

I announce further that if present and voting, the Senator from Kentucky [Mr. CLEMENTS], the Senator from Mississippi [Mr. EASTLAND], the Senator from Delaware [Mr. FREAR], the Senator from Iowa [Mr. GILLETTE], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Oklahoma [Mr. KERR], the Senator from New York [Mr. LEHMAN], and the Senator from North Carolina [Mr. SMITH] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Maine [Mr. BREWSTER] is absent on official business. If present, he would vote "nay."

The Senator from New Hampshire [Mr. BRIDGES] who is absent on official business is paired with the Senator from Montana [Mr. ECTON] who is also absent on official business. If present and voting, the Senator from New Hampshire would vote "nay," and the Senator from Montana would vote "yea."

The Senator from Utah [Mr. WATKINS] is absent because of illness.

The Senator from North Dakota [Mr. YOUNG] is absent by leave of the Senate and is paired with the Senator from Maryland [Mr. BUTLER] who is absent on official business. If present and voting, the Senator from North Dakota would vote "yea," and the Senator from Maryland would vote "nay."

The Senator from Wisconsin [Mr. WILEY] is detained on official business.

The result was announced—yeas 15, nays 65, as follows:

YEAS—15

Bennett	Case	Long
Bricker	Dirksen	Malone
Butler, Nebr.	Dworshak	Mundt
Capehart	Jenner	Schoeppel
Carlson	Langer	Welker

NAYS—65

Aiken	Holland	Moody
Anderson	Mumphy	Morse
Benton	Hunt	Murray
Byrd	Ives	Neely
Cain	Johnson, Colo.	Nixon
Chavez	Johnson, Tex.	O'Connor
Connally	Johnston, S. C.	O'Mahoney
Cordon	Kem	Pastore
Douglas	Kilgore	Robertson
Duff	Knowland	Russell
Ellender	Lodge	Saltonstall
Ferguson	Magnuson	Smathers
Flanders	Martin	Smith, Maine
Fulbright	Maybank	Smith, N. J.
George	McCarran	Sparkman
Green	McCarthy	Tamm
Hayden	McClellan	Taft
Hendrickson	McFarland	Thye
Hennings	McKellar	Tobey
Hickenlooper	McMahon	Underwood
Hill	Millikin	Williams
Hoey	Monroney	

NOT VOTING—16

Brewster	Frear	Watkins
Bridges	Gillette	Wherry
Butler, Md.	Kefauver	Wiley
Clements	Kerr	Young
Eastland	Lehman	
Eaton	Smith, N. C.	

So Mr. MALONE's amendment in the nature of a substitute was rejected.

Mr. WHERRY subsequently said: Mr. President, at about 3 o'clock I asked unanimous consent that I might leave the Senate Chamber for approximately an hour. That consent was given. I was unavoidably detained and was absent when the yeas and nays vote was taken on the Malone substitute amendment to the bill. I ask unanimous consent that, following the vote, I may have inserted in the RECORD the statement that if I had been present in the Senate Chamber, and had been permitted to vote on the Malone substitute amendment, I would have voted for the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WHERRY. Mr. President, my reason for making this statement is that although, with the inclusion in the bill of subparagraph (f) on page 13, I think the committee has gone a long way toward helping to tighten up the bill and to eliminate the abuse of the reciprocal trade agreements provision, to a point where it would be helpful in affording some protection, yet I have a feeling, based on past experience, that it is still within the hands of the administration to do as they choose.

There is not a mandatory provision in the bill which would finally give the relief asked for, and so long as Mr. Acheson is Secretary of State, and running the economy both on the foreign front and on the domestic front, it is my opinion that we cannot obtain the kind of administration which will protect American industry, American agriculture, and American labor. Although I want to compliment the distinguished Senator from Georgia, and also the distinguished ranking minority member, the Senator from Colorado, upon the work they have done to help tighten the present act, my opinion is, nevertheless, that if we are to get protection, we must get it through legislation, not through dependence upon the Secretary of State to administer the laws which Congress writes for him to administer.

Mr. MALONE. Mr. President, I wish to thank the distinguished Senator from

Nebraska, the minority leader, for his remarks, in which he stated he would have voted for the substitute had he been present. Further, I wish to join with the Senator in his remarks in which he complimented the committee upon the hard work done by it. I know through personal observation that the members of the committee have been very diligent. I may also say categorically in the bill they reported no actual limitations were placed on the President or on the Secretary of State which did not exist previously, and they gave to neither of them any new authority. The law remains as it has always been, in the last analysis, with the power of absolute decision in the discretion of the President, and of the Secretary of State through the President of the United States.

Mr. McCARTHY. Mr. President, on behalf of my colleague [Mr. WILEY], the Senator from Utah [Mr. WATKINS], and myself I send to the desk an amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the end of the bill, it is proposed to insert the following new section:

SEC. 11. Paragraph 1519 of the Tariff Act of 1930, as amended, is hereby amended by adding at the end thereof a new subparagraph to read as follows:

"(g) (1) Effective July 1, 1951, the quantity of mink, silver fox, and muskrat furs or skins, dressed or undressed, imported during any import year shall not exceed 25 percent of the domestic production during the preceding import year of mink, silver fox, and muskrat furs and skins, respectively.

"(2) For the purposes of this subparagraph, in determining the quantity of mink, silver fox, and muskrat furs and skins imported during any import year, such furs and skins or parts thereof contained in wholly or partly manufactured articles shall be taken into account.

"(3) As used in this subparagraph, the term, 'import year' means the 12-month period beginning on July 1 of any calendar year."

Mr. McCARTHY. Mr. President, I intend to take but a few minutes of the Senate's time on the bill. Before doing so, I request the yeas and nays on my amendment.

The PRESIDING OFFICER. The Senator from Wisconsin has asked for the yeas and nays on his amendment. Is the demand sufficiently seconded?

Mr. MILLIKIN. Will the Senator yield to me?

Mr. McCARTHY. I yield.

Mr. MILLIKIN. Mr. President, what is the parliamentary situation? Am I out of order to ask the Senator to yield to me?

The PRESIDING OFFICER. The Chair is informed by the Parliamentarian that it shall first be decided whether the demand for the yeas and nays is sufficiently seconded.

Mr. McCARTHY. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. MILLIKIN. Will the Senator from Wisconsin now yield?

Mr. McCARTHY. I am glad to yield to the Senator from Colorado.

Mr. MILLIKIN. I wonder if I could make the suggestion to the distinguished

chairman of the committee that we take the amendment to conference.

Mr. GEORGE. I am willing to take it to conference, but I can not guarantee to hold it in conference. I am quite sure the House would not consent to accept the amendment. I am willing, however, to take it to conference and have it presented to the House. I cannot give any assurance that it would be accepted. However, the only possible result of an affirmative vote would be to have the amendment taken to conference.

Mr. MILLIKIN. I suggest that the distinguished Senator from Wisconsin could get no more assurance, even if, after long debate, the amendment were adopted by the Senate, and the proceedings could be short-circuited by acceptance of the amendment now.

Mr. GEORGE. The amendment is somewhat different from any we have had. It deals with a percentage of a particular product. I think I should say in all frankness that I do not believe the House will accept the amendment. However, I am willing to take it to conference.

Mr. MILLIKIN. Mr. President, will the Senator from Wisconsin again yield?

Mr. McCARTHY. I yield.

Mr. MILLIKIN. I believe the subject matter, in some particulars, goes outside the reciprocal trade system.

Mr. GEORGE. That is true.

Mr. MILLIKIN. And that, therefore, direct action of this kind may be necessary.

Mr. GEORGE. Yes. I am willing to take the amendment to conference if that is agreeable to the Senator from Wisconsin.

Mr. McCARTHY. I have already accomplished what I would accomplish by a vote. I ask that the amendment be agreed to.

Mr. GEORGE. The committee will accept the amendment and take it to conference for full consideration by the conferees.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. McCARTHY] on behalf of himself, his colleague the senior Senator from Wisconsin [Mr. WILEY], and the Senator from Utah [Mr. WATKINS].

The amendment was agreed to.

Mr. McCARTHY. "Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement which I was about to make on this amendment.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR McCARTHY IN SUPPORT OF AMENDMENT TO H. R. 1612

It is unnecessary to go into detail in explaining the plight of our domestic fur-producing industry, as most Senators are aware of the liquidation that is taking place. This matter has been fully aired and recognized by members of the Finance Committee. Many of us were hopeful last year that the acute condition could have been somewhat relieved by a substantial reduction in the fur excise tax so that the fur market could have been expanded so as to absorb the tremendous increase in our fur imports. As our present state of emergency makes this approach impossible, it is imperative that immediate action be taken to place

a limited curb on imports as set forth in the proposed amendment.

As pointed out during the hearings on the Trade Agreements Act, our fur producers have been caught in a squeeze. While fur sales have declined 50 percent, as shown by the decrease in our excise-tax receipts from ninety-seven million in 1946 to forty-eight million in 1950, imports have increased over 300 percent since the war as compared to prewar years. It is also a well known fact that 30 percent of our fur imports are coming from Communistic-controlled countries.

Now, just a word or two about the amendment. It is not an attempt to solve the entire problem of the fur-producing industry, but is directed as giving effective, reasonable protection to those in greatest need. Imports of mink, silver fox, and muskrat account for only approximately 20 percent of the total dollar value of our present fur imports. But they make up an important part of our domestic fur-producing industry. I am sure the Senators from Louisiana and Texas where a considerable portion of our muskrat are raised, can give you a very vivid picture of the serious condition the fur producers in their States are in. It is interesting to note that from the figures of the Fish and Wildlife Service, muskrat catch in Louisiana has dropped from 6,000,000 pelts in 1943 to 3,000,000 in 1949. The reason for the sharp decline is that present prices do not pay the cost of harvesting the crop. The Tariff Commission figures reveal that our total muskrat imports have increased from 1,000,000 pelts in 1943 to 3,500,000 in 1950. Imports of muskrat from Russia show the greatest increase from one-half million pelts in 1943 to 2,000,000 pelts in 1950.

Figures reveal our domestic production of mink has remained relatively static since 1947 at about two and one-third million pelts. On the other hand, imports of mink pelts have increased from 320,000 in 1946 to over 1,000,000 in 1950, or 400-percent increase.

The seriousness of the situation is reflected in the financial statement of the fur-farming industry wherein the cost of production has increased to \$18 per pelt. The average price of mink pelts in 1949 and 1950 dropped to prewar levels of \$15. This small industry shows an operating loss of millions of dollars, and over a thousand farmers have been forced out of business during the past year. Another large number has been forced to secure Government emergency loans from the Farmers Home Administration in order to stay in business. A large percentage of these are GI's, many of whom are disabled veterans.

We have just gone through the sad experience of having the domestic silver fox industry practically wiped out since the war because of the tremendous influx of foreign furs. The Department of Agriculture, through the Farmers Home Administration, is making a desperate attempt, through emergency loans, to try and revive this industry, or at least keep alive a small foundation breeding herd so we won't have to go to Russia and buy breeding stock when this industry recovers. The amendment is designed to keep foreign countries from smothering out its life as soon as it starts to revive.

A repetition of the same condition that has practically wiped out our silver fox industry will wipe out our mink and muskrat industries if something is not done immediately to prevent it.

The amendment is very reasonable. There are 33 different kinds of fur imported into the United States. The amendment applies to only three kinds of fur: silver fox, mink, and muskrat, wherein considerable investment has gone into domestically producing these furs. If the amendment had been in effect during the past 4 years, it would have

only reduced our annual total fur imports approximately 6 percent. This small reduction would largely be absorbed by Communistic-controlled countries whose imports have increased most.

It is questionable whether Congress should continue to keep a heavy tax on the product of an industry that is going broke in order to finance foreign aid programs to stop the spread of communism abroad. But it is simply asinine to call sons of fur farmers to go to war to stop the spread of communism and while they are fighting, and dying, have their business wiped out by importation of furs from communistic countries.

Due to the modifications that have been made in the Trade Agreements Act as reported it is very likely that some Senators may feel that the bill if passed as reported would provide a means of solving the problem of the fur producers thereby making the proposed amendment unnecessary. The fur farmers claim the bill as now constituted does not and will not provide a means of solving their problem. This involves considerations beyond those of tariff or duties or other economic aspects of general nature involved in foreign trade. Therefore, the amendment is not offered to give special treatment to an industry whose problem is common with other industries, but is offered to protect an American industry that is being destroyed as a result of unusual circumstances that have developed since the last war.

SCHEDULE A
TABLE 1.—Imports of raw furs

Year	Millions of dollars	Year	Millions of dollars
1930 to 1939.....	50	1945.....	146
1940.....	75	1946.....	242
1941.....	106	1947.....	124
1942.....	70	1948.....	163
1943.....	93	1949.....	105
1944.....	127	1950.....	104

TABLE 2.—Collections from excise tax on furs

Calendar years.....	1946	1947	1948	1949	1950
Millions of dollars.....	97.4	85.3	73.1	53.7	48.8

TABLE 3.—Russian imports compared to total fur imports
[Millions of dollars]

Year	Total	Russia
1930 to 1939.....	50	5
1940.....	75	13
1941.....	106	22
1942.....	70	15
1943.....	93	18
1944.....	127	32
1945.....	146	26
1946.....	242	69
1947.....	124	41
1948.....	163	38
1949.....	105	24
1950.....	105	120

1 Reduction 1950 was a result of longshoremen's refusal to unload Russian furs.

In relation to the amendment, I want to call to your attention that in 1949 when this same bill was up for extension, I proposed a similar amendment to the one now being offered. I want to read one paragraph from the statement I made at that time, which appears on page 13120 of the CONGRESSIONAL RECORD of September 15, 1949:

"Besides the economic problem involved, it is evident from information released that Russia's primary interest in disposing of all her furs in the United States is to implement carrying out her communistic program in our country, first by providing a source of dollars necessary to finance her program, and, second, by being able to maintain a large

fur business in the United States, which she is using as a base of operation to legally funnel into and out of our country key communistic supporters. In this connection, I call attention to the evidence and the record in the Coplon trial.

"Russia's fur business is handled by the Amtorg Corp., of New York, which is owned and operated by the Russian Government, and is known by the FBI to be carrying on espionage activities.

"It is evident that regardless of price or effect on the domestic producer, Russia will continue to dump all her furs on our market unless some protective action is taken by Congress."

As vindication of the accuracy of this statement, I am now going to read a short excerpt from the testimony of Benjamin Gitlow, one-time secretary general of the American Communist Party, as presented before the Subversive Activities Control Board on April 24, 1951:

"Amtorg was the trading corporation in the United States of the Soviet Government. 'Amtorg cleared with the Communist Party of the United States, the American personnel it hired to determine whether or not they could be trusted to work in Amtorg.

"A large number of members of the Communist Party worked in Amtorg, and those members who worked in Amtorg were formed into a special group.

"Amtorg supported the Communist Party press by putting advertisements, particularly in the foreign language, in newspapers of the Communist Party for which they paid in excess of the advertising rates for such advertisements.

"Furthermore, the Amtorg made it possible for the Communist Party School of Business Relations in what it was doing to realize moneys financially from insurance and other activities.

"In addition to that, the Amtorg sought the assistance of the Communist Party, whenever technical delegations came to this country, to attach Communist Party members to these delegations as translators, and so forth, who would be tied in with the OGPU representative that traveled with these delegations for information purposes."

Figures from the Tariff Commission reveal that during the past 5 years we have imported over a quarter billion dollars worth of furs from Communist-dominated countries, over one hundred ninety million of which have come directly from Russia. In face of the longshoremen's embargo against unloading Russian furs during the past year (1950), we imported over \$20,000,000 of furs from Russia and \$6,000,000 worth of furs from China. Why in the name of common sense do we continue to finance the spread of communism on one hand and fight it on the other?

There can be no doubt but that a portion of the \$6,000,000 we paid to China for furs last year went toward paying for the shipments of rubber from England. Neither can there be any doubt as to what use Russia is making of the \$20,000,000 she received from her fur shipments to us.

In addition to the issue of involving the security of our country, the amendment presents a clear-cut economic case. Is Congress going to place heavy taxes on our industries, draft their sons into service, and subject them to the many other wartime measures necessary to fight communism abroad and then turn our backs on them under the cloak of appeasement and allow their businesses to be wiped out by the importation of products from communistic countries?

The amendment may only affect a small industry, but the principal in back of it is not small.

Mr. McCARTHY. Mr. President, would it be in order at this time to move that the Senate instruct the conferees

to insist upon the amendments of the Senate?

Mr. GEORGE. Mr. President, I hope the Senator will not do that. I should be compelled to resist such a motion, because the Senate conferees will do the best they can. When the bill comes back to the Senate there will be an opportunity to be heard on the amendment. I thought I should be frank in stating to the Senator that the House probably will not accept it, although the House will be free to work out any amendment. It may be that a provision of some kind can be agreed upon. I hope the Senator will not ask for any instructions at this time which would bind the conferees to the point where they could only insist on this particular amendment. We would be lost in that sort of conference.

Mr. McCARTHY. I believe the Senator makes a point.

Mr. CAIN subsequently said: Mr. President, it is my understanding that earlier in the afternoon the junior Senator from Wisconsin [Mr. McCARTHY] offered a fur amendment which was accepted and which is to be taken to conference. It had been my intention to speak briefly but pointedly in support of that amendment, but because of duties which kept me in the joint committee hearing this afternoon, I ask unanimous consent that the statement I had prepared concerning the amendment be printed in the body of the RECORD to follow any references to the amendment itself.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR CAIN

Appearing in the Washington Times-Herald of May 16, 1951, is this short article:

"New York, May 15.—The New York Journal-American said today that six New York importers have just concluded a deal with the Soviet fur trust which will drop over a million dollars into Communist hands.

"The newspaper said the Soviet embassy in London confirmed the deal but refused to disclose the names of the members of the New York syndicate which arranged the million-dollar purchase.

"The story also stated that the Soviet trust, taking note of the refusal of American longshoremen to unload Russian-made goods, will guarantee delivery of the skins only to Helsinki, Finland.

"The Journal-American said the New York syndicate was compelled to pay for the Russian skins in American dollars, which the Communists need badly for the purchase of military material."

It is absurd to spend billions of dollars to stop the spread of communism when we are, in fact, supplying Russia with the necessary dollars to finance her organized communistic programs at home and abroad. It is embarrassing for Congress to tax and spend and spend to aid foreign countries who may be struggling under the handicap of having a deficit dollar trade balance so as to throw off the yoke of communism, and go on permitting the Soviet Union to build up a substantial surplus dollar trade balance.

Figures from the Tariff Commission reveal that our imports from Russia during the past 3 years (1948, 1949, 1950) totaled \$160,000,000, while our exports to Russia amounted to only \$34,000,000, leaving a surplus dollar trade balance for the Kremlin of \$126,000,000.

This is a very sizable sum of dollars to use in financing the Communist Party in the United States, or to purchase war material from countries lacking dollar exchange.

The Trade Agreements Act is proving to be a boon to communism. Contrary to the general belief built up in the minds of many Senators, that the major portion of our imports from Russia consist of strategic materials, the figures show that 50 percent of the total imports from Russia consist of fur, and only a very small percentage of materials are even vital or necessary for our security and defense programs.

Every agency of government that has anything to do with the administration of the Trade Agreements Act, is familiar with these facts and their direct bearing on our security and the hardship it is causing the American fur producers.

Yet, year in and year out, nothing is done, and nothing will be done to prevent this small industry from being entirely wiped out by communism unless Congress comes to their rescue and gives them this small means of protection.

I urge the Senate to adopt the fur amendment, send it to conference, and insist on its passage.

TABLE A
(In millions of dollars)

	1948	1949	1950
Imports from Russia.....	78	42	40
Exports to Russia.....	27	6	1
Trade balance.....	51	36	39

TABLE B
(In millions of dollars)

	1948	1949	1950
Total imports from Russia....	78	42	40
Fur imports from Russia.....	38	24	120

¹ Reduction 1950 result of longshoremen's refusal to unload Russian furs.

TABLE C.—Principal imports from Russia, 1950

Furs and manufactures.....	\$21,060,983
Sausage casings of sheep, lamb, and goat.....	1,005,162
Crab meat, crab sauce, and crab paste, prepared or preserved in containers.....	2,304,398
Cigarette leaf tobacco, unstemmed, other than latakia..	2,465,662
Cotton linters.....	1,578,090
Manganese ore (including feruginous) or concentrates, and manganiferous iron ore, containing 35 percent and over of manganese, other than battery grade.....	2,085,225
Chrome ore or chromite, metallurgical grade.....	2,172,578
Platinum metals and native combinations thereof: Palladium.....	857,391
Crude glycerine.....	911,141
All others.....	5,827,402

Mr. MAGNUSON. Mr. President, I wonder if the junior Senator from Washington would permit me to associate myself with him in connection with the remarks made by him.

Mr. CAIN. I shall be very pleased to be in my colleague's company.

Mr. WILEY. Mr. President, I am very grateful that my associate, the junior Senator from Wisconsin, was able to be on the floor to offer his amendment. I had expected to offer it, but when I saw how things were going in the committees,

I was glad to find out that the amendment had been accepted and would be taken to conference.

The fur industry has been very badly injured by competition from abroad, and I believe the conferees, whoever they may be, should insist on protecting this great industry which means so much in connection with the livelihood of so many persons in this Nation.

Mr. MAGNUSON. Mr. President, I have two amendments on the desk which I do not wish to press at this time. I believe that a question will clear up one of them.

The other matter, which involved a definition of the word "perishables" in the bill was cleared up day before yesterday by the answer of the distinguished chairman of the committee.

I should like to ask one further question.

Mr. GEORGE. I shall be glad to try to answer it.

Mr. MAGNUSON. On page 5621 of the CONGRESSIONAL RECORD of May 21, the Senator from Georgia, in discussing the bill, made this statement:

Another amendment of great importance was the amendment suggested by the Senator from Washington [Mr. MAGNUSON] which, as the Senate knows, had already twice been adopted by the Senate in connection with other legislation. This amendment is designed to protect the full operation of section 22 of the Agricultural Adjustment Act which now, in subsection (f), contains certain limitations upon the full scope of its use by reason of the provisions of our trade agreements.

After examining the amendment, the committee added this language:

No trade agreement or other international agreement heretofore or hereafter entered into by the United States shall be applied in a manner inconsistent with the requirements of this section.

What concerned some of the sponsors of the amendment and myself was the use of the additional words "the requirements of." I talked with the Senator from Colorado [Mr. MILLIKIN] informally and he explained that he thought those words might strengthen the amendment. I was wondering whether the Senator from Georgia had the same opinion.

Mr. GEORGE. Mr. President, I have the same general view. I should like to add that the purpose of inserting this language is that if the President, when certain facts appear, can give an effective remedy without violating an agreement, but within the terms of an agreement, so to speak, he may have that opportunity; but if he cannot, this section will prevail. This section carries out the philosophy of the distinguished Senator from Washington in the two bills which have previously passed the Senate.

Mr. MAGNUSON. In other words, it is the opinion of the Senator from Georgia and the Senator from Colorado that this language adds an additional situation to the requirements of section 22. It might be that the remedy could be carried out within the terms of the agreement.

Mr. GEORGE. It might be. But if there were an irreconcilable conflict, the President would be obliged to carry out

the section 22 provision so as to grant relief.

Mr. MAGNUSON. Mr. President, I shall not press my two amendments.

Mr. GEORGE. I thank the Senator very much.

Mr. CASE. Mr. President, I should like to ask if there would be any objection to inserting the word "promptly" on page 9, in line 9, after the word "shall." Section 7 of the committee amendment proposes that upon the request of the President, or upon resolution of either House of Congress or of either the Committee on Finance of the Senate or the Committee on Ways and Means of the House of Representatives—

Mr. GEORGE. Will the Senator from South Dakota give me the page again?

Mr. CASE. It is on page 9, line 9. This is the section which has to do with the investigation by the United States Tariff Commission.

Mr. GEORGE. There would be no objection to such an amendment. If the Senator wishes to offer such an amendment, there will be no objection.

Mr. CASE. Mr. President, I offer an amendment, on page 9, line 9, after the word "shall", to insert the word "promptly." This is in accord with the time element which has been included at several points in the bill.

The PRESIDING OFFICER. The amendment offered by the Senator from South Dakota be stated.

The CHIEF CLERK. On page 9, line 9, after the word "shall", it is proposed to insert the word "promptly," so as to read:

The United States Tariff Commission shall promptly make an investigation—

And so forth.

Mr. GEORGE. Mr. President, there is no objection to the amendment. That was the intention of the committee.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The bill is open to further amendment. If there be no further amendment, the question is on the engrossment of the amendments and the third reading of the bill.

Mr. MILLIKIN. Mr. President, the Senator from Nevada [Mr. MALONE] has about a dozen amendments. I do not know whether or not he intends to abandon them. I wish we knew, so that we would not have to do this all over again if he should decide not to abandon them. Cannot the Senator from Nevada be called into the Chamber so that we may know whether or not he intends to press his amendments?

Mr. DWORSHAK rose.

Mr. MILLIKIN. May I ask if the Senator from Idaho has an amendment to offer?

Mr. DWORSHAK. No. I wish to speak for 20 or 25 minutes on the bill.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. DWORSHAK. Mr. President, I have listened with a great deal of interest to the debate during the past 3 days. I think the Committee on Finance should be commended for the desirable changes and revisions which have been recommended in the law as it has been in force

for the past 2 years. However, in checking through the hearings on House bill 1612 before the Senate committee, I am somewhat amazed to read the comments made by Secretary Acheson. I quote from page 3 the following statement by Mr. Acheson:

Mr. Chairman, I am appearing in support of the trade-agreements program to urge extension of the Trade Agreements Act. I cannot, however, support H. R. 1612 as amended in the House of Representatives. I do not think that the bill as amended is in the national interest.

On page 6 of the hearings Secretary Acheson said:

H. R. 1612, as reported to the House of Representatives by the Ways and Means Committee, extended the authority of the President to negotiate trade agreements under the Trade Agreements Act in the same form in which it has existed for most of the life of the program. I believe that the record of accomplishment under the act and the way the authority conferred by the act has been administered fully justify that action.

It is apparent that, although the Senate committee, in the bill currently before this body, has recommended the insertion of amendments providing for the peril point and for an escape clause, so long as the State Department is charged with the administration of this program we can expect nothing but sabotage of the program. As I have said, I think the committee is deserving of commendation, but the record shows that so far as Secretary Acheson is concerned, in the administration of the act this body can anticipate that there will be no beneficial results, even though amendments are adopted providing for the peril point and the escape-clause approach to safeguard the interests of any industries in the United States which are adversely affected by the operations of the act.

In 1934 we entered upon a new course of action in regard to foreign trade. For more than 300 years we had been carrying on a trade of necessity to build up the industry and economy of a virile, alert Nation. We were affording protection through tariff from foreign competition to our weak industries with the result that thrift and ingenuity made of us an almost self-supporting Nation.

Through the protection afforded our industry we were protecting not only production but also protecting the standards of labor, wages, and employment which have brought to America the highest standard of living of any country in the world.

While we still maintain our high standard of living, we are doing it on borrowed money. And we are trying to make concessions to reduce our standard of living to those countries by which we are surrounded with unilateral trade agreements, reciprocity agreements, exchange agreements designed to be reciprocal in nature with escape clauses administered not by constitutional authority vested in the subdivisions of this Government, but through delegated powers extended to the administrative department with responsibility to no one and power so absolute and so protected that whole segments of our economy could practically become destroyed be-

fore the Congress could recapture the power it has no right to delegate away.

In 1934 we embarked on this new method of tariff procedure of enacting legislation to give the authority vested in the Congress to the President. It was said at that time—and the position is defended by some Members of Congress—that this is the program under which it was planned to make reciprocal trade agreements to encourage trade with other nations. This is a noble objective. We want trade with other nations; we need trade with other nations; we have to have trade with other nations, for we are no longer an independent, self-supporting Nation. We are now a Nation dependent upon other nations with a \$60,000,000 unfavorable balance of trade last year, dependent upon other nations for wool, meat, and fiber. And so under this dependency with the typical reciprocal agreements we have built up a condition of trade which has literally destroyed some very important industries in this country. We are now invited by approval of H. R. 1612 not only to continue the destruction but to bring in a few more industries to be destroyed.

Mr. President, our reciprocal trade agreements are a one-way street, with the United States making most of the concessions. This has resulted in lowering tariffs on many agricultural commodities and other products, causing real hardships to many of our domestic industries.

Since 1939, whenever this Trade Agreement Act has been before Congress for extension, I have voted against it. In the first place, I do not believe that Congress should delegate its authority over international trade to the President.

To illustrate this, I refer to the conference which has been held at Torquay, England, for several months. As a result of this conference with 17 other nations, the United States has granted tariff reductions of as much as 50 percent. Attempts to conclude trade agreements with the British Commonwealth have failed apparently because of sterling preference among those nations. The tariff concessions which the United States granted at Torquay will apply to 1,325 items, many of which reductions will adversely affect labor and production here in America.

Once this agreement is effective, the authority of acceptance or rejection of trade agreements no longer rests with the Congress, and to retrieve this power is almost impossible.

It may be well to point out the illogical situation, created under the Torquay agreement, in which Great Britain and the Commonwealth nations refuse to cooperate in any way. Yet, under the most-favored-nation clause, Britain and the Commonwealth nations will be the beneficiaries of all the concessions made by the United States. At the same time they are not making any concessions of any kind on trade with the United States.

SHEEP INDUSTRY UNDERMINED

Let us take a look at the sheep and wool industry under reciprocal trade

agreements. I want to point out to you what has happened under the reciprocal wool agreements. Ten years ago we were producing 61 percent of the wool needed for consumption in the United States and it was not many years ago we were a wool-exporting Nation. But in the past 10 years the sheep population has declined from 47,441,000 head to 28,065,000 head, a decrease of 41 percent. Today we are furnishing only 26 percent of the needs of this country. The price rise is 102 percent in the last 10 years on wool in the grease, from 28 cents in 1940 to 57 cents in 1950.

Mr. President, while it is easy to lay the blame on decreased ranges, lack of herders, Government restrictions, I cannot agree to this, for it is not only the range sheep that declined in the past few years that has caused the loss in wool poundage or sheep numbers. It is the passing out of the farm flocks—the sheep held in small flocks on farm pastures. The decline is due to the importations of foreign wool from Australia brought into this country for storage and then never again leaving this country. It is due to the lack of tariff protection and to the decline of the dollar value and the planting of land into field crops instead of pastures to pay high property taxes now required of cheap dollars.

Instead of protecting this industry by tariffs, we have let it decline until today we are dependent upon other nations for over half the wool now consumed here. I presume we can go on subsidizing the land crops that should be going into pastures to produce wool and mutton. We wonder at the shortage of meat; well, you cannot increase a population by 20,000,000 people and decrease 19,376,000 head of sheep in 10 years without affecting the market supply of meat.

During the past year we have been at the mercy of foreign wool producers and prices have doubled and tripled. This is the penalty we are paying for failing to give adequate protection to our domestic sheep industry.

Yes, our sheep and wool industry has been undermined by reciprocal trade agreements which have no semblance of being reciprocal. Reciprocal is a delusion, a hypocritical expression used to deceive, to fool, to hoodwink, and to destroy.

LEAD AND ZINC AFFECTED

Mr. President, Idaho has a special interest in the Trade Agreements Extension Act, for Idaho ranks first among the States in the production of mined zinc, and second in lead. The mining industry of my State has just learned of the cuts made in the existing tariffs on lead and zinc under the Torquay Conference proceedings.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. DWORSHAK. I yield briefly for a question.

Mr. LANGER. Is it not a fact that Idaho also leads in the production of antimony, producing 94 percent of the antimony produced in the United States?

Mr. DWORSHAK. Idaho produces a large percentage of many other minerals which are now considered strategic in building up our national preparedness.

Mr. LANGER. Which includes antimony.

Mr. DWORSHAK. I thank the Senator. While these reductions are of secondary importance at the moment, because of the Government price controls under which these mining industries are operating, artificially depressing the price to the Idaho miner, they do have long-term implications which disturb me. Not only does the Government drastically cut the metal tariff, but it simultaneously prevents the lead and zinc miner from selling his output at the higher price today at which Mexican, Canadian, Peruvian, and Australian lead and zinc are being sold. It does not make sense.

The tariffs on lead and zinc have now reached a point where they are so slight as to be almost negligible. The protection granted lead under the Torquay decision is only about 6 percent. The protection remaining to zinc is only about 3 percent, at today's prices. If the lead- and zinc-mining industries could have foreseen in 1930 the great inflation of 1950, they would have requested a valorem rather than specific rates of duty.

Mr. President, in the case of lead the State Department deviated from a principle that I understood they ordinarily use in concluding negotiations—namely, not entertaining any reductions unless they were requested by the country accounting for the greatest exports to this country. In lead, Mexico, with its comparatively low-labor cost, is the most important foreign shipper of lead to the United States. But the cut in lead was made at the instance of Canada and Peru. Under our most-favored-nation policy, however, Mexico will receive the benefit of this important reduction. Inasmuch as the Mexican Trade Agreement was abrogated as of the beginning of 1951, Mexico will reap a benefit from the Torquay negotiations for which the United States is receiving nothing in return from Mexico.

DEVALUATION OF CURRENCIES

The lead miners in the United States have been very much concerned with the effect of the devaluation of foreign currencies on the tariff protection which Congress had accorded them. Apparently no consideration was given in the Torquay decisions as to the effect of devaluation on the tariff rates established for lead and zinc. In fact, a representative of the State Department took the attitude before the Senate Finance Committee on H. R. 1612 that they were perfectly correct in not considering devaluation because, if anyone was injured as the result of currency devaluation, he should try to secure relief through the escape clause. Inasmuch as the Senate Finance Committee's report follows these recommendations, it is especially important that the escape clause be so worded by this body that it will give industry every opportunity to include devaluation as one of the factors to be considered in an escape-clause proceeding.

By means of the bill which it has reported, the Senate Finance Committee has wisely attempted to define and broaden the scope of topics which the

Tariff Commission must consider in coming to an escape-clause determination. My own State legislature last January was so concerned over the impact of currency devaluation not only on mineral products but on agriculture that it adopted a resolution memorializing Congress on the subject and requesting relief through proper adjustment of tariff rates.

Mr. President, if devaluation had been given consideration by the negotiators at Torquay, they would have found that Canada first devalued its currency about 10 percent, although at present the Canadian dollar is only 6 percent devaluated. In Peru the currency devaluation amounts to over 50 percent. The slash of about 6 percent in the tariff on lead therefore, virtually establishes free trade in lead between Canada and the United States, inasmuch as the amount of protection remaining to the Idaho lead miner is just about offset by the devaluation of the Canadian dollar.

IMPACT TO BE FELT LATER

For Peru the situation is vastly to Peru's benefit; and were it not for the fact that today Peru can get more for its lead in Europe, where lead now is selling for about 20 cents a pound, than it can by selling it in the United States for 18½ cents a pound, we would expect the entire Peruvian lead production to come into this country, as it has done recently. The full impact of the tariff cut that has been made will not be felt until the present defense emergency is over. Then the present price controls and the artificial stimulus of rearmament to industry will have disappeared, and labor may have cause for complaint as it sees its jobs affected by large imports of lead into the United States from low-cost foreign mines.

Mr. President, I wonder what animated the Torquay negotiators to cut the lead rate, when last year, for the first time in history, more lead—550,000 tons—was imported into the United States than was mined in our country; namely, 430,000 tons. How much more lead should be imported to satisfy the international planners? Our domestic mine production is far below what it used to be. Tariff cuts are no way to invite the necessary exploration and development of our still great native resources.

About a year ago the domestic mining industry was facing ruinously low prices because of heavy imports of lead, zinc, copper, and other minerals. As a result, many mines had closed because of inability to operate on a profitable basis in competition with the low-cost production of foreign mines. During such periods it is vitally important to have some tariff protection to enable our own mines, with their high-operating costs, to compete with production in countries where the miners receive only a fraction of the wages paid in the United States.

Apparently our international policies are compounded not only of a desire to strip the mining industry and our other industries of their tariff protection, but actually to subsidize foreign producers. Recently it was announced by the State Department that it was proposing to buy Chilean copper at 27½ cents and sell

it in the United States at 24 cents, with the taxpayers to absorb the loss. Moreover, at a hearing before the House Committee on Interior and Insular Affairs it was developed that the Office of Price Stabilization is planning to buy foreign lead at 20 cents a pound and resell it in the United States at the ceiling price of 17 cents a pound. Under those circumstances, tariffs do not mean much; but it is illogical to see our people being taxed to permit the purchase of foreign nonferrous metals from countries in which labor is paid only a few cents an hour, and the resale of the metal here at a loss, and then to have our people taxed to make up the difference. If controls are imposed on the mining industry, coupled with the crippling of permanent tariff protection and an evident desire to subsidize foreign-mining operations, we shall not only seriously affect the future orderly development of our mineral resources, but we shall also be encouraging the very thing we are supposed to be fighting—statism and ultimately communism.

This period of limited emergency is hardly the time to make an intelligent long-range tariff determination and to cut the tariff rates on lead, zinc, and other commodities. I think action on those two metals might well have awaited the end of the emergency-defense period. The injury that has been done is momentarily obscured by the international political situation. It remains to be seen whether or not Torquay's slashes were in the public interest.

PLEA FOR EXEMPTIONS

Mr. President, a brief survey of the hearings before the Senate Finance Committee on House bill 1612 will disclose the appearance at those hearings of representatives of many industries in the United States. Those representatives appealed for some protection for their specific industries. As I pointed out earlier this afternoon in a colloquy with the junior Senator from Nevada, it is rather strange to witness the representatives of various industries from many regions of the United States appear before congressional committees and before executive agencies and departments requesting specific exemptions to protect their own industries.

Mr. President, in the West we have the lumber and the mineral industries; in the Mississippi Valley there are the livestock and agricultural industries; in the central Atlantic States there are the pottery, glassware, woodworking, and other industries; in New England there are the textile, shoe-manufacturing, watch-manufacturing, and fishery industries; and in many of the southwestern States we find the production of the oil which is so essential to us, particularly in time of emergency. Those who come from the southeastern States plead for protection of the fresh-vegetable and fresh-fruit industries in those States. In fact, during the 16 years since the commencement of the reciprocal-trade-agreement program, we have heard many appeals made every year before congressional groups; and those who have made those appeals have pointed out that although there may be some jus-

tification for the broad principles which are involved in the reciprocal trade agreements, those agreements can be supported by certain States and certain regions only when protection and safeguards and even exemptions are provided for those specific industries.

In closing, Mr. President, I should like to point out that it is very difficult to comprehend how a broad reciprocal-trade program can be highly desirable for the United States. I concur in the contention that we should have international trade relations on an equitable basis with other nations; but how can it be contended that this reciprocal-trade-agreement program is sound, desirable, and equitable so far as the United States is concerned, when we observe that most of the States of the Union send to Washington their representatives who plead with Congress for support for their own industries?

It seems to me that a logical procedure would be to take a composite viewpoint of all the industries in the United States and consider the interests not only of business and industry but also of agriculture and labor, and then recognize that if we are to maintain our high standards of living, which have characterized the United States of America for well over a century, we should be realistic in facing this program.

So far as I am concerned, I will not stand in this body—nor have I done so at any time during my membership in either the House of Representatives or the Senate—and plead for preferential treatment for any particular industry in my own State. If the industries of my State are entitled to protection and safeguards, I think we should extend comparable treatment to other regions and States throughout the entire Nation.

Mr. President, on that basis I cannot justify support of this reciprocal-trade program, even though the Finance Committee has improved the bill materially.

I wish to pay my compliments to the distinguished chairman of that committee, the senior Senator from Georgia [Mr. GEORGE], to the distinguished ranking minority member of the committee, the Senator from Colorado [Mr. MILLIKIN], and to other members of the committee who have done such an effective job in trying to establish proper safeguards.

However, at the same time we must recognize that the administration of this program is in the hands of the State Department; and we have the testimony of Secretary Acheson that so far as he is concerned, he will not countenance the peril-point amendment or the escape-clause amendment because he wants to have almost absolute and arbitrary authority over the international trade of our country.

Mr. President, under such circumstances, I cannot vote to delegate the constitutional authority of the legislative branch to Secretary Acheson and the executive branch of the Government.

Mr. MALONE. Mr. President, the junior Senator from Nevada has a few amendments to offer to the bill, but, in deference to the Senator from Georgia,

who is not feeling well, a very brief description of each amendment will be presented, and no yea-and-nay vote will be requested, so that the time required for the presentation of the amendments will not be great. I now ask that amendment No. 2, offered by the junior Senator from Nevada, be considered.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 1, line 8, it is proposed to strike out "2 years" and insert "1 year."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nevada.

Mr. MALONE. Mr. President, amendment No. 2 provides for the extension of the authority to enter into trade agreements for 1 year instead of 2 years. The House version of H. R. 1612 provided for a 3-year extension of the Trade Agreements Act which was changed to 2 years by the Senate Finance Committee.

This amendment serves two purposes:

First. The war in Korea has produced a rearmament effort which has brought economic dislocations which greatly obscure the effects that tariff cuts have had on many domestic industries. With peak demand in most fields of production and with the Government being a large purchaser of consumer goods and defense materials, no one can forecast economic conditions even as far as 1 year ahead. Under these circumstances a 1-year extension of the Trade Agreements Act is all that should be provided for, should the Congress decide to extend it at all.

Second. The other purpose which would be served by a 1-year extension would be continued supervision of the administration of the Trade Agreements Act by the State Department as well as the effects of the tariff reductions. Each extension of the Trade Agreements Act has caused long hearings to be held in which both the administration's side as well as the domestic producers' viewpoints were thoroughly aired, and many people feel that these hearings have provided the domestic manufacturers with the only fair tribunal for the airing of their frequent and just complaints.

Mr. MILLIKIN. Mr. President, as to the pending amendment, I may say that many of us thought a 1-year extension would be better than a 2-year extension, but upon further thought we concluded that 2 years was more practicable for the reason, frankly, that a 1-year extension would throw this entire subject into the middle of an election year, and that was not thought to be desirable, so we compromised. We reduced the provision of the House bill from 3 years to 2, and were unanimous in that decision in committee.

Mr. MALONE. Mr. President, if I may say so, I think the greatest thing which could happen would be to throw this entire matter into the middle of the election year.

Mr. MILLIKIN. Yes; I understand that that is the Senator's viewpoint. He will not disallow my own viewpoint, which is that it would be a very bad

thing to do, and that the subject would not receive the careful consideration in the middle of an election year that it would in calmer times and, I hope, under more favorable circumstances.

Mr. MALONE. Consideration of the subject in calmer times has always resulted for the past 18 years in continuing the authority of the Secretary of State unimpaired.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Nevada [Mr. MALONE].

The amendment was rejected.

Mr. MALONE. Mr. President, I now call up my amendment No. 3.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 3, line 18, after the word "Defense", it is proposed to insert "from the Committee on Ways and Means of the House of Representatives, from the Committee on Finance of the Senate."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nevada.

Mr. MALONE. Mr. President, section 3 (c) of the present version of H. R. 1612 provides that the President, before concluding a trade agreement, shall seek information and advice from certain departments of the Government.

This amendment provides that in addition to the departments mentioned, the President shall also seek information and advice from the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

Heretofore the Congress has not been consulted in regard to the making of trade agreements and has only been presented with the final results at the end of trade-agreement negotiations. This amendment would remove some of the secrecy under which the executive branch prepares for the trade-agreement negotiations and would add the valuable advice of the pertinent committees of Congress to the planning of tariff-reduction conferences.

This amendment does not remove the secrecy which is regarded as necessary for bargaining power in the negotiations proper. It merely provides that the President shall consult the above-mentioned committees of Congress for information and advice. This amendment is quite parallel with the Senate version of H. R. 1612, which provides that the President shall report to the Congress if he has exceeded the recommendations made by the Tariff Commission under the peril-point provision, or has not followed the Tariff Commission's advice on changes under the escape clause. This amendment would, to a small degree, give Congress a hand in determining the course of trade-agreement policy. The advice and counsel of the Members of Congress represented on the two committees would bring into the trade-agreements program the experience and the legislative viewpoints of men who have had at their command the extensive information brought out in the hearings on the Trade Agreements Act.

Mr. MILLIKIN. Mr. President, I respectfully suggest that neither the House

Ways and Means Committee nor the Senate Finance Committee is equipped to do a good job in connection with this particular matter. It would involve vast staff work and a great number of hearings in order to participate constructively. We do not have the necessary staff. I hope, therefore, that the amendment will not prevail.

Mr. MALONE. Mr. President, I respect the opinion of the distinguished Senator from Colorado, but I respectfully suggest that most persons in the State Department dealing with the subject show a profound ignorance of it. Therefore, if it is thought that persons regularly appointed by the Congress of the United States can contribute any more misinformation than is contributed already, I would feel like withdrawing the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nevada [Mr. MALONE].

The amendment was rejected.

Mr. MALONE. Mr. President, I call up my amendment No. 4.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Nevada.

The LEGISLATIVE CLERK. On page 4, beginning in line 7 with the word "Within", it is proposed to strike out through the word "been" in line 9 and insert the following: "No trade agreement under section 350 of the Tariff Act of 1930, as amended, shall be."

On page 4, beginning with the comma in line 21, strike out through the word "with" on page 5, line 12.

Mr. MALONE. Mr. President, the present version of House bill 1612 provides that the Tariff Commission shall make recommendations to the President in regard to the levels to which tariffs could be reduced, but the President is not forced to adhere to these recommendations. All that the peril-point feature calls for is merely a report by the President to Congress on the reasons for which he has seen fit to disregard the advice given him.

This amendment makes adherence to Tariff Commission recommendations mandatory. Thus the usually unbiased viewpoint of the Tariff Commission will have to be accepted. This amendment would stop the present policy of using the Trade Agreements Act for purposes of foreign policy and foreign aid as has been done so frequently before.

The present version of the peril-point feature must be regarded as an insufficient safeguard to domestic industries endangered by unfair foreign competition.

In other words, Mr. President, it would change the announced policy of the State Department as to making cash advances to foreign countries until such time as the markets of this Nation can be divided with the nations of the world, so that the advances of cash can make up their trade balances.

Mr. MILLIKIN. Mr. President, the proposed amendment goes to the heart of the so-called peril-point provision. The distinguished junior Senator from Nevada says it requires no more than a

letter from the President to the Congress, but that letter is a very significant and potent factor in the whole business. When the President sends a letter to the Congress stating that he has disregarded a peril point, he has to give a good reason, or the Congress has instant jurisdiction to override what the President would do, and it would undoubtedly proceed to do so. If the President should give a foolish reason for disregarding a peril point, he would do so at his own peril. It is a great mistake to think that the provision is without potency. The very fact that it has met with such serious resistance, and the very fact that it was repealed by the Eighty-first Congress, indicate that it is regarded as a provision of important substance.

Mr. TAFT. Mr. President, while I quite agree with the distinguished Senator from Colorado that the present provision in the bill is effective, I see no reason why, if Congress is going to establish a peril point, it should not be a binding one. If the peril-point principle is right, I think it should be a part of the law, and I do not think the President should have the right to overrule the general principle laid down by Congress in the bill. So far as I am concerned, I merely want to go on record as in favor of this particular amendment. I think it is essential, if the Congress is to assert its right to legislate on the subject of tariffs.

Mr. MALONE. Mr. President, I heartily agree with the distinguished senior Senator from Ohio, but I want to comment briefly on the statement of the junior Senator from Colorado that I said the President must write Congress and give a report and a reason for disregarding the peril point. If we have come to the point on the Senate floor where a reason given by the State Department and the President of the United States sounds like a good reason to us, if we have that confidence, it is something that must have been newly generated.

Mr. President, under the provisions of my amendment in the nature of a substitute for the bill, which amendment was rejected, the situation could have been effectively governed so that there would not be manipulation of currency and numerous other subterfuges to escape the logical conclusions of the trade agreement. The flexible tariffs would become operative, and the Foreign Trade Authority could take up the matter and adjust it to the existing conditions. A frozen tariff, whether the State Department freezes it or the Tariff Commission freezes it, is still frozen.

So, Mr. President, I wish to join with the distinguished Senator from Ohio in asking, why allow the President of the United States to give a reason which he thinks is good? He has given us reasons for 4 years, and the State Department has piled reason upon reason, its object being the alleged desirability of dividing the wealth of the United States of America.

The PRESIDING OFFICER. The question is on agreeing to the amendment numbered 4, offered by the Senator from Nevada.

Mr. GEORGE. Mr. President, when there is a recommendation for an increase or a decrease of a tariff duty, it is always left finally to the President, and it necessarily should be. Undoubtedly, under the peril-point amendment in this bill, the President, 99 times out of 100, would follow the recommendations made by the Tariff Commission and would not go below the peril point fixed by the Commission, because he would have to give publicly his reasons for his action. But there might and there do arise cases where actually a technical justification could be found for fixing a low peril point. It would, however, result in injury, severe injury, to some major American interest.

Therefore, in all our tariff making, when the Tariff Commission itself has been given authority to recommend an increase up and down of 50 percent, I think it has been left finally with the President whether he would approve it. I think it would be a very great mistake to bind the President to put into effect anything the Tariff Commission might recommend with respect to the peril point beyond what the bill provides. It is hedged about by every possible restriction and limitation, as I see it, to the point where there never need be, except in very exceptional situations, any fear that the President will not follow the recommendation of the Tariff Commission.

Mr. MALONE. Mr. President, I should like to ask the distinguished Senator from Georgia a question. Has it come to his attention in recent years that the President or the Secretary of State have paid any attention to a common-sense attitude on tariff rates? On the other hand, has it not come to the attention of the distinguished Senator from Georgia that the tariffs which have been tampered with and tinkered with for 18 years are already below any such a peril point as is being suggested now?

Mr. GEORGE. I am aware of the fact, Mr. President, that our tariff duties have been lowered. But I earnestly invite the attention of the Senator from Nevada to the fact that the amendment in the bill as it now stands, with some slight improvements, but not weakening improvements, was an amendment that was really formulated by the Eightieth Congress. It does not make the State Department too happy, I can assure the Senator, if that will cause him not to insist too strongly upon his motion, to have this in the bill. But the committee thought it ought to be in the bill, and the committee decided to put it in the bill because the committee believed the time had come when, based upon our experience, we should begin to do a practical job of stepping up the mechanics of the system of tariff adjustments and trade agreements.

Hence we believed that the peril point provision ought to be included in the bill. It is, in my judgment, a very meritorious provision. I think it will be effective in nearly all instances. Certainly if the President should override it there would have to be the strongest reason given by

him why some major American industry would be hurt if he did not do so. So I think the President ought to have the discretion the Executive has had under every one of our flexible tariff provisions so far as I now recall.

Mr. MALONE. That would not be the manner in which we would establish a flexible import fee under the Foreign Trade Authority which was suggested as a substitute. I do not agree with this discretionary power, of course. I wish I could join the Senator from Georgia in his childlike faith in the President and in the Secretary of State in trying to protect the workingmen and investors of this country. I should like to say, in closing, that no instance can be cited, except in an insignificant one where any attention whatever was paid to a petition presented to the Reciprocal Committee. There was what was called the Committee for Reciprocity of the State Department, and other agencies, which heard grievances. There was one instance, I believe, in connection with an insignificant matter, when a great deal of political pressure was brought to bear, when attention was paid. But there was no other similar instance in 18 long years.

Therefore I think it would be difficult to make anyone believe that the Secretary of State and the President of the United States would change their long-established and announced policy of dividing the markets with the foreign nations of the world to help them balance their trade. I know of no reason anyone should possibly have for coming to such a conclusion.

The PRESIDING OFFICER (Mr. UNDERWOOD in the chair). The question is on agreeing to the amendment of the Senator from Nevada [Mr. MALONE] numbered 4.

The amendment was rejected.

Mr. MALONE. Mr. President, I now call up my amendment numbered 5 and ask to have it stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 5, line 25, after "practicable", it is proposed to insert the following: "(which shall not be later than 6 months after (1) the enactment of this act, or (2) the occasion for such action arises, whichever is later)."

Mr. MALONE. Amendment No. 5 makes it mandatory upon the President to suspend, withdraw, or prevent the application of any reduction in duty or binding of any existing customs-excite treatment or other concession to the U. S. S. R. and other Communist-controlled governments within a period of 6 months. In addition, it forces the President to withdraw the concessions to those nations which fall under Communist control in the future.

It simply is not reasonable, in the present period of world tension, to have trade agreements with Communist nations such as we have with Czechoslovakia, or to give concessions to such nations under the operation of the most-favored-nation clause. It must be realized that Communist nations, as well as all others, benefit from any concessions

made by the United States without giving any advantage to the United States in return.

The Senate bill says the President shall take such action as soon as practicable. This feature should be tightened up and a time limit put on such withdrawal.

This amendment strengthens and improves the present Senate version of the bill.

For at least the 4½ years the junior Senator from Nevada has served in the Senate, whenever the tension really has tightened, when we were complaining about trading with Russia, all at once an isolated news press dispatch would appear some place stating that of course we had to obtain manganese from Russia as well as other strategic materials, so we must not disturb the status quo. I deny that it is necessary to obtain any material from Russia. As a matter of fact, it is very likely, if investigations were carried on, that it would be found we could obtain manganese cheaper from other countries. That is simply a subterfuge and a blind used by the State Department to continue something that they think they should continue, trade with the Red countries, something which the Senate now has condemned, although in very weak language, I must say.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nevada [Mr. MALONE] numbered 5.

The amendment was rejected.

Mr. MALONE. Mr. President, I call up my amendment numbered 6, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 8, line 19, after the word "practicable", it is proposed to insert the following: "(which shall not be later than 12 months after the enactment of this act)."

On page 8, line 23, after the period, it is proposed to insert the following:

Any trade agreement which cannot be brought into conformity with such policy as provided in this subsection shall be terminated by the President at the earliest date provided for by its terms or by law.

On page 9, beginning with line 1, it is proposed to strike out through the comma in line 2 and insert in lieu thereof the following: "Within 30 days after the expiration of 12 months after the enactment of this act."

Mr. MALONE. Mr. President, section 6 (b) of the Senate version of H. R. 1612 provides that the President include the new escape clause in existing trade agreements "as soon as practicable." Amendment No. 6 puts a time limit of 12 months on the inclusion of the escape clause, and provides that trade agreements which cannot be brought into conformity with that policy shall be terminated. This provision gives the President bargaining power in his negotiations with the signatory nations to include the new and strengthened escape clause. In addition, the President shall report to Congress the status of the negotiations, or termination of trade agreements under this section within 30

days after the expiration of the 12-month time limit.

Under the present wording of "as soon as practicable" the President is given too much latitude to conform to the desires of Congress, and I believe it to be only fair to the domestic producers injured by tariff reductions made heretofore to speed up the application and availability of the new escape clause. It must not be forgotten that the peril point procedure, and the inclusion of the new escape clause in new trade agreements is severely limited by the fact that the administration plans no further tariff reduction agreements for the next 3 years, if we can take the Secretary of State at his word. The junior Senator from Nevada believes that that was a way of "wetting down" the Senate Finance Committee, and that almost immediately following the next election another conference will be called, and under this extension there will be plenty of time to reduce tariffs further. There will be 2 years more of the ruinous tariff reductions under which we are now suffering, and under which we shall suffer further as soon as the Torquay agreements have become effective, or at least as soon as the emergency is over—if we ever see another day in the United States without an emergency. The junior Senator from Nevada is beginning to doubt that, so long as the present administration is in power.

I invite attention again to what Secretary Acheson said on Monday, January 22, 1951, during the hearings before the Committee on Ways and Means of the House of Representatives:

It is * * * not expected that there will be another Torquay within the life of the extension provided for in H. R. 1612.

The House version of H. R. 1612 provided for a 3-year extension.

The Secretary also said that the Department would not again bring before Congress the International Trade Organization, and the committee made much of that statement. However, the junior Senator from Nevada has adequately proved, I hope, that they will adopt the essentials of the International Trade Organization in another manner, by other approaches, which will be just as effective. The junior Senator from Nevada has no way of digging out the facts and learning the real intentions of the State Department. However, if this statement is as true as the other, then it is a subterfuge to cover up a move to bring about a further reduction.

In the light of these facts, the inclusion of the new escape clause in existing trade agreements is of greater importance than either the peril-point procedure, or the escape clause in future agreements.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 6 offered by the Senator from Nevada.

The amendment was rejected.

Mr. MALONE. Mr. President, I offer my amendment No. 7 which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Nevada will be stated.

The CHIEF CLERK. On page 11, line 6, it is proposed to strike out "may" and insert "shall"; and on page 11, beginning in line 10 with the word "If", it is proposed to strike out through line 15.

Mr. MALONE. Mr. President, section 7 (c) provides that the President shall make a report to Congress if he decides not to make the changes in the rates of duty recommended by the Tariff Commission under the escape clause. This provision is parallel to the permissive feature of the peril point procedure, and I believe it to be unsound.

Amendment No. 7 provides that the President shall make the changes recommended under the escape clause. Of course, this removes the necessity of the President writing a letter to Congress explaining why he did not make the recommended changes. Thus the two amendments, Nos. 7 and 4, are complementary and strengthen the recommendations of the Tariff Commission, whether it be under the escape clause or under the peril point procedure.

By removing the permissive features of each of these provisions, we relieve the President of much of the temptation to use the Trade Agreements Act and thus the tariffs of this country for purposes of foreign policy advantage or as a feature of foreign aid.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nevada on page 11.

The amendment was rejected.

Mr. MALONE. Mr. President, I offer my amendment numbered 8, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Nevada will be stated.

The CHIEF CLERK. On page 11, line 20, after the word "conclusions," it is proposed to insert "and the reasons therefor."

Mr. MALONE. Mr. President, section 7 (d) requires the Tariff Commission to make and publish a report stating its findings and conclusions if adjustments of tariff rates under the escape clause are found unnecessary. Amendment 8 adds the words "and the reasons therefor" after the words "stating its findings and conclusions."

Under the present wording it is not made clear that the Tariff Commission should state the reasons why, on the basis of the available information, adjustments of tariff rates under the escape clause would be unnecessary.

It does not make sense to require the Tariff Commission to make a report containing statistics and conclusions to be drawn from them without giving adequate explanation why these conclusions were arrived at. This amendment therefore strengthens the report feature of the escape-clause provisions.

The PRESIDING OFFICER. The question is on agreeing to the amendment numbered 8 offered by the Senator from Nevada [Mr. MALONE].

The amendment was rejected.

Mr. MALONE. Mr. President, I offer my amendment numbered 9, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Nevada will be stated.

The CHIEF CLERK. On page 13, between lines 6 and 7, it is proposed to insert the following:

(c) No reduction in any rate of duty, or binding of any existing customs or excise treatment, or other concession proclaimed under section 350 of the Tariff Act of 1930, as amended, shall be permitted to continue in effect with respect to any agricultural commodity during any period in which a subsidy is being paid with respect to such commodity, or the price of such commodity is being supported, by any department or agency of the United States.

Mr. MALONE. By withdrawing any reduction of duties on agricultural commodities under a subsidy or price-support program, the amendment No. 9 will result in keeping down imports of those agricultural commodities produced abroad. Thus, the cost to the taxpayer of the programs will be reduced, and we will aid the more orderly marketing of our agricultural surplus commodities. It makes no sense to have a price-support program or a subsidy in operation when imports are entering this country at reduced tariff rates. Such a policy results in a price-support program being run for the benefit of foreign producers. This amendment would result in great savings in our agricultural price-support programs and in many cases would remove the need for such a program entirely. If amendment No. 1 to H. R. 1612—which is, of course, the substitute for H. R. 1612—had been accepted, it is believed that about 85 percent of all price-support and subsidy programs could have been eliminated by having a flexible import fee on the imports of competitive agricultural commodities. However, in the absence of the flexible import fee, we can at least return to the tariff rates of the Tariff Act of 1930 for those commodities which are in surplus in the United States.

It was brought out very clearly in the debate this afternoon that subsidies had been paid to our own producers on commodities with respect to which the market was being flooded from outside sources. This amendment would tend to prevent repetition of any such action.

Mr. WHERRY. Mr. President, this amendment is similar to the House provision designated section 8, at the bottom of page 11, and continuing over onto page 12. It has an added feature, namely, the subsidy instead of merely the support price, but it is, in reality, the same amendment in principle.

This is one way to reach a vote on the House language. I shall support this amendment. No doubt it will be defeated. I cannot conceive of the continuation of an effort so illogical. We continue to import into this country agricultural products at such a concession or reduction in tariff that those products are permitted to come in even when there is a domestic surplus; yet we expect the American taxpayers to support the prices of such products.

I cannot conceive of such a situation continuing. After considerable questioning I have been told on the Senate floor by the distinguished chairman of

Mr. Malone

the committee and also by other Senators that the way to meet the situation is to amend section 22 of the Agricultural Adjustment Act. I wish to say now that if the amendment is rejected, I certainly shall try to do it in that way. I shall prepare the necessary legislation to stop the importation of agricultural products into the United States at a concession which is so low that it permits foreign farmers to sell their produce in our open market, while our products are supported by the price-support program, thus enabling many of the foreign farmers to receive what amounts to a subsidy at the expense of the taxpayers of the United States. If the pending amendment is defeated, I shall certainly do it. When the time comes, I hope the answer will not be "You should have done it when we extended the Reciprocal Trade Agreements Act." I hope I shall get support to correct the illogical situation.

Mr. GEORGE. Mr. President, let me say that the provision is contained in the House bill, and it will be in conference. There will be an opportunity to consider it carefully, in conference.

I invite the Senator's attention to testimony given before the committee by the farmers themselves. I express the hope that the Senate will not approve the amendment, but leave the subject open for conference. It is already in the House bill, as I have said, and we shall have full opportunity to take it up in conference. I wish to read two or three lines from the testimony given before the committee. I read first from the statement of the president of the National Cotton Council:

We are particularly concerned about section 8. While we believe very strongly that the United States agricultural as well as industrial interests should in all cases be adequately safeguarded, we think the protective action should be carefully considered so it will not produce reaction and repercussion abroad that will result in a net loss to the United States. Section 8 of the bill, if adopted, we fear would seriously react on American agriculture and result in the cancellation of existing concessions and possibly the establishment of higher barriers against our export so that the United States might lose more than it gains. This seems very likely in view of the fact that our exports of price-supported agricultural commodities are roughly $4\frac{1}{2}$ times our imports of those commodities. We feel that the protection to United States agriculture can be more adequately provided under section 22 of the Agricultural Adjustment Act of 1938 as amended than under the automatic provisions of section 8.

Consequently they recommended the treatment which is provided for by the pending bill.

A spokesman for the Federal Farm Bureau Federation called attention to table No. 2, with respect to the ratio of exports to imports of price-supported products, to which I have already referred. I quote from the testimony of Mr. Lynn:

Mr. LYNN. We think they would be far more tempted to do it under section 8, if adopted, than they will if it is eliminated, because section 8—no concession would be binding and, in other words, it would be flexible; if the product reached the price

support or lower, therefore, you could give no real binding figures on concessions, and I believe that the foreign countries, particularly in Western Europe, are in better position to put in "gadgets," if you please, in regard to trade agreements than we are, because they have demonstrated time and time again that they have a lot of gadgets that they can use in keeping out our imports.

He recommended that section 22 of the Agricultural Adjustment Act be amended. The same recommendation was made by the spokesman for the Farmers Union. He emphasized the danger of the proposed amendment and asked that the amendment be made in Agricultural Adjustment Act.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. LANGER. May I inquire who was the spokesman from North Dakota, to whom the Senator referred as the first spokesman? I did not get his name.

Mr. GEORGE. The first one was Mr. Young, of the National Cotton Council.

Mr. LANGER. I thank the Senator.

Mr. GEORGE. He is from Memphis, Tenn. I know him very well. Mr. President, I hope the amendment will be rejected, because in conference we shall have full opportunity to consider the subject.

Mr. MALONE. Mr. President, I should like to state for the benefit of the distinguished senior Senator from Georgia, of whom I am very fond, that it would be very much easier for the conference committee to deal with the matter if such an amendment as I have proposed were included also in the Senate bill. Then it would be a matter of coordinating the language.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nevada [Mr. MALONE]. [Putting the question.] The "noes" have it, and the amendment is rejected.

Mr. MALONE. Mr. President, I ask for a division.

The PRESIDING OFFICER. The vote has been announced.

Mr. MALONE. I call up my amendment numbered 11.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. At the end of the bill it is proposed to add the following new section:

SEC. —. No foreign trade agreement shall hereafter be negotiated or entered into under section 350 of the Tariff Act of 1930, as amended, with respect to any article unless the principal supplier of such article is a party to such negotiations and to such agreement. The principal supplier of any article shall be the country growing, producing, or manufacturing the largest quantity of such article imported into the United States for consumption during the three calendar years ending last prior to the beginning of such negotiations.

Mr. MALONE. Mr. President, this provision requires the President in any negotiations for the conclusion of a trade agreement to adhere to the principal supplier rule.

Although the State Department claims that tariff concessions are generally given only to the nation which is the

principal supplier of the article in question, in actual practice this rule has frequently been violated. For instance, certain reductions of duties have been made in the past in negotiations with Sweden, although Great Britain was primarily interested in those concessions.

The most flagrant example has been the reduction of duties on lead ore, bullion, and so forth, at Torquay in negotiations with Canada and Peru. Mexico has historically been the principal supplier for the American market and, following the termination of the trade agreement with Mexico, the tariff on lead was increased to the 1930 rate on January 1, 1951. At Torquay, however, in negotiations with countries that were not the principal supplier duties on lead were again reduced to the Mexican rate. Therefore, without giving anything in return, Mexico can again export to the United States under the same rates of duty as were in effect until January 1, 1951.

The termination of the trade agreement with Mexico has thus been completely subverted. That is the most flagrant example, but there have been many others.

The amendment also would establish the standards which would be applicable in connection with proclaiming a country as the principal supplier of the commodity; that would be done by selecting the nation which in the preceding three calendar years had imported the largest amount of that article into the United States.

Mr. President, I consider this amendment to be of very great importance for the simple reason that in connection with this matter the State Department has used just another subterfuge in establishing a bad and dangerous program to which little attention ordinarily is paid because the ordinary producer does not think the program makes very much difference, inasmuch as the foreign country which is said to be directly affected supplies so small an amount of that particular product. However, those who take that attitude forget that once the agreement is made, at once all other nations are entitled—under the most-favored-nation clause—to the duty reduction made by the agreement, without giving anything to us in return.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nevada [Mr. MALONE].

The amendment was rejected.

Mr. CONNALLY. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 2, in line 16, it is proposed to strike out the words "or directly competitive" and insert the words "or similar."

It is proposed that the same amendment be made on page 2, line 19; page 4, line 17; page 8, line 17; page 9, line 17; and page 10, line 11.

Mr. CONNALLY. Mr. President, if this amendment is adopted, it will restore the language carried in the 1948

extension of the General Trade Agreements Act, as that extension was negotiated at Geneva. The phrase "like or similar article" was used in the peril-point extension of the 1948 agreement. It seems unwise to tie to some other commodity the arrangements with regard to one particular commodity. Certainly each commodity should stand on its own feet.

Therefore, I advocate the restoration of that language, so that the phrase will be "like or similar articles," as used in the peril-point provision of the 1948 extension of the Trade Agreements Act. That act was passed by the Eightieth Congress.

So, Mr. President, I request the adoption of the amendment.

Mr. CHAVEZ. Mr. President, will the Senator yield for a question?

Mr. CONNALLY. I yield.

Mr. CHAVEZ. Will the Senator state briefly the effect of the amendment if it is adopted?

Mr. CONNALLY. Yes. The effect will simply be to restore the language I have stated.

Mr. CHAVEZ. I know that but what would that mean?

Mr. CONNALLY. The drive for the incorporation of the new words "directly competitive articles" is made by the coal interests, as against the fuel-oil interests; but I think it is a mistake to tie one commodity to another, rather than to have each commodity stand on its own feet and to have the tariff on that commodity based upon a consideration of that kind.

Mr. MALONE. Mr. President, if the Senator will yield, I should like to ask whether I correctly understand his amendment to mean that he is in favor of free trade on every commodity except oil.

Mr. CONNALLY. No; I do not favor free trade on all commodities other than oil, as the Senator from Nevada should know.

Mr. MALONE. I am very happy to be informed of that fact.

Mr. CONNALLY. I hope the Senator stays happy.

Mr. MALONE. I think all of us could do so if we could have for each of approximately 8,000 products an amendment similar to the amendment now pending, which would exempt oil.

Mr. CONNALLY. This amendment does not exempt anything.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Texas [Mr. CONNALLY].

The amendment was rejected.

Mr. MALONE. Mr. President, I now call up my amendment No. 12, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 1, beginning with line 5, it is proposed to strike out through line 24, on page 5, and insert in lieu thereof the following:

SEC. 2. No reduction in any rate of duty, or binding of any existing customs or excise treatment, or other concession required or made appropriate by any foreign trade agreement entered into under section 350 of the Tariff Act of 1930, as amended, after enact-

ment of this act, shall be proclaimed or permitted to continue in effect after the enactment of this act.

On page 8, in line 9, it is proposed to strike out "hereafter."

Mr. MALONE. Mr. President, let me say that I am highly gratified that the distinguished senior Senator from Texas [Mr. CONNALLY] at least has made a record in the case of oil. In that connection, I wish to point out what I have tried to explain in former addresses I have made in the Senate, namely, that practically everyone wants a tariff on what is produced in his own State, but wants free trade or lower tariffs on what the people of his State purchase.

Let me say that my amendment No. 12 forbids the further reduction of duties under the 1934 Trade Agreements Act, but otherwise leaves the pertinent parts of House bill 1612 intact. Of course, the amendment also removes the entire peril-point procedure, because it would be applicable only in the case of new trade agreements. Thus the amendment No. 12 makes all the changes in the bill which are called for in the present version of House bill 1612 and, which are applicable to trade agreements already in effect: namely, the new escape clause, the withdrawal of concessions to Russia and her satellites, the section dealing with section 22 of the Agricultural Adjustment Act, and the section on judicial review of tariff classifications.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nevada [Mr. MALONE].

The amendment was rejected.

Mr. LANGER. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 9, in line 10, after the word "investigation", it is proposed to insert: "and make a report thereon not later than 1 year after the application is made."

Mr. GEORGE. Mr. President, the committee will have no objection to accepting and taking to conference that amendment. It simply requires the making of a report by the Tariff Commission.

The PRESIDING OFFICER. The question is on agreeing to the amendment submitted by the Senator from North Dakota [Mr. LANGER].

The amendment was agreed to.

Mr. LANGER. Mr. President, let me say that I have submitted the amendment for the reason that, time without number, applications which have been made to the Federal Trade Commission for action in connection with these matters have remained pending for long periods. A short time ago, as chairman of the Committee on Post Office and Civil Service, which was investigating the appointment of new employees, I found that during the operations of the Federal Trade Commission under its former membership, before new members were appointed by the President, more than 200 cases had been pending before the Commission for periods of time ranging from 3 to 13 years, without having any

reports made on them by the Commission.

We should not permit such delays in connection with the Tariff Commission. So I certainly thank the distinguished Senator from Georgia for agreeing to take the amendment to conference.

The PRESIDING OFFICER. The amendment of the Senator from North Dakota has been agreed to.

If there be no further amendment to be proposed, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The question now is, Shall the bill pass?

Mr. MILLIKIN. Mr. President, preliminary to requesting the yeas and nays, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hennings	Millikin
Anderson	Hickenlooper	Monroney
Bennett	Hill	Moody
Benton	Hoey	Morse
Bricker	Holland	Mundt
Butler, Nebr.	Humphrey	Nixon
Byrd	Ives	O'Mahoney
Cain	Jenner	Pastore
Capehart	Johnson, Colo.	Robertson
Carlson	Johnson, Tex.	Russell
Case	Johnston, S. C.	Saltonstall
Chavez	Kilgore	Schoeppel
Connally	Knowland	Smathers
Cordon	Langer	Smith, Maine
Dirksen	Lodge	Smith, N. J.
Douglas	Long	Sparkman
Dworshak	Magnuson	Stennis
Eastland	Malone	Taft
Ellender	Maybank	Thye
Ferguson	McCarran	Tobey
Flanders	McCarthy	Underwood
Fulbright	McClellan	Wherry
George	McFarland	Wiley
Hayden	McKellar	Williams
Hendrickson	McMahon	

The PRESIDING OFFICER (Mr. Pastore in the chair). A quorum is present.

The question is, Shall the bill pass?

Mr. MILLIKIN and other Senators asked for the yeas and nays, and they were ordered.

Mr. MORSE. Mr. President, I have a couple of questions which I desire to ask the Senator from Colorado [Mr. MILLIKIN] with whom I discussed the subject matter of the questions.

In my State, and also in the State of Washington, there is a situation in which the two Senators from Washington as well as the two Senators from Oregon have been much interested. The tree nut industry has been greatly concerned about the reciprocal trade problems which have developed over the years, resulting in many detrimental effects to that industry. We are seeking, in connection with the pending measure, the elimination from section 8, subsection (f), line 5, page 13, of the bill, the following three words: "with the requirements."

It is desired to have the section read:

No trade agreement or other international agreement heretofore or hereafter entered into by the United States shall be applied in a manner inconsistent with this section.

I should like to ask my good friend from Colorado if I am correct in my un-

derstanding that the committee is not disposed to strike the words "with the requirements", and if he would be so kind as to make a statement now, for the purpose of legislative history, as to why the committee is not disposed to strike those three words.

Mr. MILLIKIN. In my opinion, the language was put into the bill deliberately to strengthen rather than to weaken that section. It is intended to make it clear that our domestic programs under section 22 shall prevail and shall override anything inconsistent found in international agreements. That is the purpose of the language, to make it very clear that the requirements or the provisions of section 22, shall prevail and shall override all other inconsistent things to be found in international agreements.

Mr. MORSE. Am I correct in my understanding that it is the view of the Senator from Colorado, and, I believe, the view of the committee as a whole, that the striking of these particular three words would weaken the best possible protection of the interest of the nut industry rather than strengthen it?

Mr. MILLIKIN. That is my opinion, and I believe it is the opinion of the other members of the committee. I should like to ask the distinguished chairman of the committee whether he concurs in my view of the matter?

Mr. GEORGE. I concur in the Senator's statement.

Mr. MORSE. I should like to ask the Senator from Colorado another question? Am I correct in my understanding that at least a part of the so-called Magnuson-Morse amendment, which has been adopted during the past 2 or 3 years in connection with the reciprocal trade program in connection with agricultural products, is incorporated in the pending bill, namely, the language referred to in the last sentence on page 8 of the committee's report?

No trade agreement or other international agreement heretofore or hereafter entered into by the United States shall be applied in a manner inconsistent with the requirements of this section.

The principle of that language has been incorporated in the final draft of the bill, has it not? The language I am referring to is the last sentence on page 8 of the committee report, the bottom of the page.

Mr. MILLIKIN. Will the Senator give me a moment to examine that. I wonder if we are looking at the same reports.

Mr. MORSE. It appears at the bottom of page 8.

Mr. MILLIKIN. That language to which the Senator refers on page 8 is the language which is in the bill and reflects the interpretation which I have given to the distinguished Senator, which has been concurred in by the distinguished chairman of the Senate Finance Committee.

Mr. MORSE. Mr. President, I wish to take a half minute to make a statement for the RECORD, and I am sure that I speak also for the two Senators from Washington as well as my colleague from Oregon. The senior Senator from

Washington [Mr. MAGNUSON] and I have discussed the other sections of the Magnuson-Morse amendment with the members of the committee, and we became satisfied that with the change I have just referred to we have obtained the best protection for the nut industry of the Pacific Northwest that could possibly be obtained, and that it would have been a useless gesture on our part of try to make a fight for all the provisions of the Magnuson-Morse amendment. We feel that we really owe an expression of thanks to the Senator from Georgia [Mr. GEORGE] representing the majority side of the committee and the Senator from Colorado [Mr. MILLIKIN] representing the minority side of the committee for the cooperation they have extended to us in strengthening the bill so that, in our opinion, it will to a much better extent protect the nut industry than it has been protected in times past.

It is a matter of regret to me, as I am sure it is to the senior Senator from Washington, that what we have been able to accomplish does not completely satisfy the representatives of the nut industry of the Pacific Northwest, but I am satisfied that in due course of time they are going to find that the four Senators from Oregon and Washington have performed the best service that could be performed in protecting their interest in the bill at this time.

With the permission of the Senator from Washington [Mr. MAGNUSON] and for the purpose of the RECORD, I should like to ask the Senator if he does not associate himself with my remarks in regard to this matter; that we have worked out, in our opinion, the best possible adjustment of the problems of the nut industry in connection with this bill that can be worked out legislative-wise in this session of Congress?

Mr. MAGNUSON. The Senator from Washington thoroughly agrees with the Senator from Oregon that the bill will surely protect the nut industry in any future trade agreements. Of course we did strive to simplify the procedure by which tariffs may be raised or lowered under present trade agreements, but the committee did not see fit to accept that. We think, however, a great stride forward has been made, and the committee was practically unanimous in agreeing that the language placed in the bill by the committee would do what we propose.

The PRESIDING OFFICER. The question is, Shall the bill pass? The yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk called the roll.

Mr. JOHNSON of Texas. I announce that the Senator from Kentucky [Mr. CLEMENTS], the Senator from Delaware [Mr. FREAR], the Senator from Rhode Island [Mr. GREEN], the Senator from Wyoming [Mr. HUNT], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Oklahoma [Mr. KERR], the Senator from Montana [Mr. MURRAY], and the Senator from Maryland [Mr. O'CONOR] are absent on official business.

The Senator from Iowa [Mr. GILLETTE], and the Senator from North Carolina [Mr. SMITH] are necessarily absent.

The Senator from New York [Mr. LEHMAN] is absent by leave of the Senate on official business, having been appointed a member of the United States delegation to the World Health Organization, which met in Geneva, Switzerland.

The Senator from West Virginia [Mr. NEELY] is absent on official business at the Pentagon Building on behalf of the State of West Virginia.

I announce further that if present and voting, the Senator from Kentucky [Mr. CLEMENTS], the Senator from Delaware [Mr. FREAR], the Senator from Iowa [Mr. GILLETTE], the Senator from Rhode Island [Mr. GREEN], the Senator from Wyoming [Mr. HUNT], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Oklahoma [Mr. KERR], the Senator from New York [Mr. LEHMAN], the Senator from Montana [Mr. MURRAY], the Senator from West Virginia [Mr. NEELY], the Senator from Maryland [Mr. O'CONOR], and the Senator from North Carolina [Mr. SMITH] would, if present, vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Maine [Mr. BREWSTER], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Maryland [Mr. BUTLER], and the Senator from Montana [Mr. ECTON] are absent on official business. If present and voting, the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Maine [Mr. BREWSTER] would each vote "yea."

The Senator from Utah [Mr. WATKINS] is absent because of illness. If present, he would vote "yea."

The Senator from North Dakota [Mr. YOUNG] is absent by leave of the Senate.

On this vote the Senator from Maryland [Mr. BUTLER] is paired with the Senator from North Dakota [Mr. YOUNG]. If present and voting, the Senator from Maryland would vote "yea," and the Senator from North Dakota would vote "nay."

The Senators from Pennsylvania [Mr. DUFF and Mr. MARTIN], the Senator from Missouri [Mr. KEM], and the Senator from Idaho [Mr. WELKER] are detained on official business. If present and voting, the Senators from Pennsylvania [Mr. DUFF and Mr. MARTIN] would each vote "yea."

The result was announced—yeas 72, nays 2, as follows:

YEAS—72

Aiken	Hennings	Millikin
Anderson	Hickenlooper	Monroney
Bennett	Hill	Moody
Benton	Hoey	Morse
Bricker	Holland	Mundt
Butler, Nebr.	Humphrey	Nixon
Byrd	Ives	O'Mahoney
Cain	Jenner	Pastore
Capehart	Johnson, Colo.	Robertson
Carlson	Johnson, Tex.	Russell
Case	Johnston, S. C.	Saltonstall
Chavez	Kilgore	Schoeppel
Connally	Knowland	Smathers
Cordon	Langer	Smith, Maine
Dirksen	Lodge	Smith, N. J.
Douglas	Long	Sparkman
Eastland	Magnuson	Stennis
Ellender	Maybank	Taft
Ferguson	McCarran	Thye
Flanders	McCarthy	Tobey
Fulbright	McClellan	Underwood
George	McFarland	Wherry
Hayden	McKellar	Wiley
Hendrickson	McMahon	Williams

NAYS—2

Dworshak

Malone

NOT VOTING—22

Brewster	Green	Neely
Bridges	Hunt	O'Connor
Butler, Md.	Kefauver	Smith, N. C.
Clements	Kern	Watkins
Duff	Kerr	Welker
Ecton	Lehman	Young
Frear	Martin	
Gillette	Murray	

So the bill (H. R. 1612) was passed.

Mr. GEORGE. Mr. President, I move that the bill be printed with the Senate amendments numbered, and that the clerks be authorized to make clerical and other typographical corrections in the bill.

The motion was agreed to.

Mr. GEORGE. Mr. President, I move that the Senate insist on its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. GEORGE, Mr. CONNALLY, Mr. BYRD, Mr. MILLIKIN, and Mr. TAFT conferees on the part of the Senate.

AMENDMENT OF ENABLING ACT OF ARIZONA RELATING TO TERMS OF LEASES OF STATE-OWNED LANDS

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 108) to amend section 28 of the Enabling Act for the State of Arizona relating to the terms of leases of State-owned lands, which were, on page 3, line 5, to strike out "or", where it appears the second time in said line; and on page 3, line 16, after "production", to insert a semicolon and "or" (4) the Legislature of the State of Arizona from providing by proper laws for the protection of lessees of said lands, whereby such lessees shall be protected in their rights to their improvements (including water rights) in such manner that in case of lease or sale of said lands to other parties the former lessee shall be paid by the succeeding lessee or purchaser the value of such improvements and rights placed thereon by such lessee."

Mr. O'MAHONEY. Mr. President, in view of the fact that the House has passed this bill with two amendments, I consulted the ranking minority member of the Committee on Interior and Insular Affairs, the Senator from Nebraska [Mr. BUTLER], as well as both Senators from Arkansas [Mr. McCLELLAN and Mr. FULBRIGHT], who were the introducers of the bill. There is no objection to the House amendments, and I shall move that the Senate concur in the amendments of the House.

This is a bill amending the enabling act by which the State of Arizona was admitted into the Union. It amends section 28 of that act by authorizing the State legislature to enact appropriate laws to allow lands which were conveyed to the State to be leased.

Mr. WHERRY. The House has amended the bill. Is it now proposed that the Senate concur in the House amendments?

Mr. O'MAHONEY. That is correct. The amendments are very simple.

Mr. WHERRY. Are they satisfactory to the minority members of the Committee on Interior and Insular Affairs?

Mr. O'MAHONEY. They are.

Mr. WHERRY. I have no objection.

Mr. O'MAHONEY. I move that the Senate concur in the House amendments.

The motion was agreed to.

AMENDMENT OF CIVIL AERONAUTICS ACT OF 1938

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 435) to amend the Civil Aeronautics Act of 1938, as amended, and for other purposes, which were, on page 1, line 8, to strike out "includes" and insert "means"; on page 2, lines 22 and 23, to strike out "the continental United States (excluding Alaska)" and insert "the several States of the United States and the District of Columbia"; on page 3, line 7, to strike out "owned by citizens of the United States or"; on page 3, line 22, to strike out all after "sessions;" down to and including "possessions" in line 24, and insert "air cargoes transported between any point in the United States and any point in a Territory or possession of the United States, between any point in any such Territory or possession and any point in any other such Territory or possession, or between any point in any such Territory or possession and any other point in the same Territory or possession"; on page 4, line 2, to strike out "and crews" and insert "members of the crews"; on page 4, line 3, after "sons" to insert "employed or"; on page 4, line 6, to strike out "and" and insert "or"; on page 4, lines 6 and 7, to strike out "by an enemy of the United States"; on page 4, lines 13 and 14, to strike out "as provided for in this title, except as provided in" and insert "provided under this title, except with respect to valuables covered by"; on page 7, line 15, to strike out "and may" and insert "and, subject to the following provisions of this subsection, may"; on page 7, line 20, to strike out all after "this" down to and including line 3, on page 8, and insert "title. In the case of any aircraft which is insured under the provisions of this title, (1) the policy shall specify a stated amount to be paid in the event of total loss, and such stated amount shall not exceed an amount determined by the Secretary, after consultation with the Civil Aeronautics Board, to represent the fair and reasonable value of the aircraft, and (2) the amount of any claim which is adjusted, compromised, settled, adjudged, or paid shall in no event exceed such stated amount," and on page 13, after line 3, to insert:

SEC. 2. Section 1 of the Civil Aeronautics Act of 1938, as amended, is hereby amended as follows:

(1) Paragraph (20) (a) of such section is amended by striking out "(except the Philippine Islands)."

(2) Paragraph (21) (a) of such section is amended by striking out "(except the Philippine Islands)."

(3) Paragraph (29) of such section is amended by striking out "(c) the Philippine Islands, except that the operation of civil aircraft within the jurisdiction of the Philippine Islands shall be governed by laws

enacted by the legislature of the islands and by executive regulations designating airspace reservations or other prohibited areas; and (d)" and inserting in lieu thereof "and (c)."

Mr. JOHNSON of Colorado. Mr. President, the House, in passing this bill, adopted, primarily, clarifying amendments which should be agreed to by the Senate.

There are three minor changes in substance which constitute improvements to the bill. One appears in paragraph (a) of section 1303 which is amended to authorize the Secretary to provide war-risk insurance with respect to foreign-flag aircraft only if and when they are engaged in aircraft operations deemed by the Secretary to be in the interest of national defense or national economy of the United States. As passed by the Senate, the bill also would have permitted provision of such insurance for foreign-flag aircraft owned by citizens of the United States without regard to whether such aircraft were engaged in operations of this character.

A second amendment of substance was the deletion in paragraph (d) of section 1303 of the words "by an enemy of the United States." This language was stricken because of the difficulty of determining who are enemies in such situations as now exist in Korea. By striking out these words, the Secretary can determine which detentions should be insurable without becoming involved in the complex question of determining the enemies of the United States.

A third amendment adds an entirely new section 2 to the bill to bring up to date certain definitions contained in the Civil Aeronautics Act of 1938 with respect to the status of the Philippine Islands.

The action by the House has improved the bill from a drafting point of view and the amendments should be agreed to by the Senate.

I move that the Senate concur in the House amendments.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. WHERRY. As I understand, the House made two or three clarifying amendments to the bill as passed by the Senate, and the Senator is now asking the Senate to concur in the House amendments.

Mr. JOHNSON of Colorado. That is correct.

Mr. WHERRY. Has the Senator consulted members of the Committee on Interstate and Foreign Commerce?

Mr. JOHNSON of Colorado. Yes. I have not been able to consult all of them.

Mr. WHERRY. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Colorado [Mr. JOHNSON].

The motion was agreed to.

FOURTH SUPPLEMENTAL APPROPRIATIONS, 1951

Mr. McFARLAND. Mr. President, I move that the Senate proceed to the consideration of House bill 3842, which is

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on Public Lands, Eighty-first Congress, first session, page 1152:

I have not attempted to examine the merits of the contentions made by the spokesmen for Arizona and California on these questions. Assuming, however, that there is some merit to both sides on all four of the major questions, it is obvious that there are many answers, in terms of the number of acre-feet of water which California may use under section 4 (a) of the Boulder Canyon Project Act, that might conceivably be given. Using the long-run average flows shown in this Department's report on the Colorado River Basin as a basis for computations, the answers might range from as much as 6,250,000 acre-feet per year to approximately 4,000,000 acre-feet. Likewise, there is a great range in the amount of water from the Colorado River system which might be found available for use in Arizona. The maximum might be somewhat over 3,500,000 acre-feet, the minimum nearly as little as 2,250,000 acre-feet.

Suppose the Court holds that Arizona has a right to only a third, or a half, of the 1,200,000 acre-feet a year required to serve the project, as designed. Would it now be taken as the intention of Congress that the full-size aqueduct be built? Or would it be taken as the intention of Congress that in such an event the canal, pumps and all other features would have to be redesigned and their feasibility and financial plan be re-examined and justified? Of course, the latter is the only course that would be rational and I cannot believe that the courts would willingly interpret an act of Congress as being irrational.

If what I have said is true, what becomes of the authorization? It is plainly not a fixed and firm decision of the Congress. It seems to be nothing "real and genuine." In fact, it seems to be an act which Congress is asked to pass with its tongue in its cheek and with its fingers crossed. It is superficially a cleverly designed stepping stone to the Court. The Court, however, is thoroughly accustomed to looking through the superficial to the real. I cannot believe that it would be deceived by such a sham.

Sections 12 and 13 are unworkable. They would not achieve the object which proponents of the bill profess to advo-

The rights of the five States in the lower basin of the Colorado, Arizona, California, Nevada, New Mexico, and Utah, to the use of the waters of the river, constitute an interrelated complex. The rights of any one State cannot be ascertained alone, but depend on definition of their relation to the whole. The settlement of the controversy in the lower basin can only be arrived at when the rights of each State, and all, are determined. It is such a settlement to which the suit should be directed, or it has failed to serve its purpose.

Does Section 12 consent that the United States be sued in such a suit? Definitely, no. Such narrow limitations are cast about the suit that it may be doubted whether it will serve any purpose.

Section 12 limits the suit to one "to determine the right to the use of water for diversion from the main stream of the Colorado River through aqueducts or tunnels to be constructed pursuant to

this act for beneficial consumptive use in Arizona." Thus, it is at least arguable that the suit is not an equitable apportionment suit, nor a quiet-title suit, in which there could be determined Arizona's total entitlement, and what commitments she has made from that entitlement and what residue may remain for the project authorized by the act. Apparently it would be a suit to determine only the narrow question of Arizona's right to take water for this one project. I presume Arizona would argue that it must be an injunction suit and subject to the limitations of that type of case. At any rate, the burden of proving the negative of such a limited proposition as the right to water for one project should not be cast on any other State, as I have said.

Section 12 provides—"and to adjudicate claims of right asserted by such State or States or by any other State or States, under" four specific documents, the Colorado River Compact, the Boulder Canyon Project Act, the California Limitation Act, and the Boulder Canyon Project Adjustment Act. This language might be taken as opening the door to a full-scale investigation of the rights of all the States. It may not. In the first place the language ignores four significant pieces of the puzzle, first, the Mexican Water Treaty; second, the act of the Arizona Legislature of February 11, 1944, by which Arizona recognized California's rights within the terms of her Limitation Act; third, the upper Colorado River compact; and, fourth, the appropriative rights in each of the States which existed before any of the statutes and compacts. It may be that the Court would choose to consider these elements. Certainly, however, section 12 is not so drawn as to demonstrate that it should do so.

The second reason why the clause of section 12 last quoted may be inadequate is that in the second sentence following it is declared:

Any such claim of right affected by the project herein authorized and asserted by any defendant State, impleaded State, or intervening State under said compact and statutes, or by the United States may be adjudicated in such action.

Here I ask whether it is the intent that the claims of the States shall only be adjudicated to the extent they are affected by the project. If so, is not the controlling clause of section 12 the first one, which, as I have suggested, may be taken as limiting the scope of the action to the naked question whether Arizona has a water right for the one project?

If the Court should hold as I have suggested, would it not hold that it is utterly impracticable and futile for it to examine into the water right for one project in one State, without having before it the subject matter by which it could approach that result, namely, all the rights and all the present uses in all the five States? If so, the plan of section 12 is unworkable. It would not lead to any useful result.

In order to let the Members of the Senate know why I am perhaps a shade skeptical of the real intent behind the drafting of section 12 and the uncer-

tainties which I find in it, I should say that in the hearings held in March 1951, before the House committee the chief counsel for Arizona, Mr. Carson, disclosed that in his opinion and judgment, California could never state a justiciable case of action, even though the central Arizona project was authorized, unless California could truthfully allege that Arizona was presently interfering with California's satisfying her rights to take water from the river. In view of the fact that there is now flowing down the river to the Gulf of California around 5,000,000 acre-feet of water which belongs to the upper basin under the Colorado River compact, but which the upper basin is not now using, and in view of the fact that this unused water may not be put to use by the upper basin for 25, 50, or 100 years, and in view of the fact that during such a period the unused upper basin water would be physically present in the river and temporarily available to meet California's needs, I am led to wonder just what Mr. Carson means. Taking his statement at face value, and assuming he is correct, which I emphatically deny, then no justiciable cause of action could be stated by California, or any other State in this generation, or perhaps the next. What becomes, then, of the compelling necessity which the Arizona Senators allege, I assume in the utmost good faith, to authorize the central Arizona project in order to make the case immediately justiciable? The sober truth is that sections 12 and 13 are unworkable and Mr. Carson thinks he knows how to prevent them from working.

Arizona's present excuse for authorizing the central Arizona aqueduct is that it will make the controversy justiciable and permit it to be settled by the Court. But we now discover that Arizona's chief counsel believes he can convince the Court that, notwithstanding the act, the controversy is still not justiciable and will not be justiciable until some distant day when one State or another is unable to draw water from the river to satisfy her rights.

If he should succeed in this dubious maneuver, the result is that, under section 13, as soon as the court dismisses the suit, the authorization of the aqueduct becomes immediately and fully operative. Such a result would not comport with the representations which have been made to the Senate and cannot be squared with good faith.

To sum up:

First. Under the decision of the Supreme Court in the case of Nebraska against Wyoming such a controversy as that existing in the lower basin of the Colorado River is now justiciable.

Second. Under the opinion of the Secretary of the Interior, that particular controversy is now justiciable.

Third. Independent of both opinions, the factual situation in the lower basin is that there is already a shortage of water supply to meet all lawful demands which may be made on it by existing and presently authorized projects and other commitments; hence, the case is now justiciable under the very criteria urged by Arizona. This statement does not

take into account the remarkable and revealing position of Mr. Carson.

Fourth. Sections 12 and 13 of the bill are inequitable, improvident, sham, and unworkable. Indeed, if Mr. Carson were correct, they would accomplish nothing.

We are approaching the fourth anniversary of the introduction of the first central Arizona project bill—Senate 1175, Eightieth Congress; Senate 75, Eighty-first Congress; Senate 75, Eighty-second Congress. Through this period there have been pending before the Congress brief, clean-cut resolutions introduced by all four Senators from Nevada and California providing for joinder of the United States in an immediate suit in the Supreme Court—Senate Joint Resolution 145, Eightieth Congress; Senate Joint Resolution 4, Eightieth Congress; Senate Joint Resolution 26, Eighty-second Congress.

Arizona has vehemently opposed the California-Nevada resolutions. She originally opposed any provision for suit, but has now reversed herself, and insists that the suit must proceed, but only after she has obtained the ambiguous authorization of her project provided for in S. 75.

While the debates have been running on in the political forum, the issue of justiciability could have been decided by the Court several times over. That issue lies at the threshold of the litigation. The Court is able to dispose of such a preliminary question in a matter of months. We know this is true. In the three cases brought by Arizona against the other States in the basin—*Arizona v. California et al.* (283 U. S. 423); *Arizona v. California et al.* (292 U. S. 341); *Arizona v. California et al.* (298 U. S. 558) issues of similar legal character were presented, argued, and determined with a promptness which may be surprising. The actual elapsed time from the filing of the bill to the date of decision in those three cases was 5 months, 3½ months, and 8 months, respectively.

I respectfully submit that had not Arizona opposed Senate Joint Resolution 145 in 1947 and thereafter, any question as to the justiciability of the case could long since have been settled by the Court. The Senate could be relieved of this argument and could have gone about more pressing and productive business.

TRADE AGREEMENTS EXTENSION ACT OF 1951—CONFERENCE REPORT

During the delivery of Mr. Nixon's speech,

Mr. GEORGE. Mr. President, will the Senator from California yield to me so that I may present a conference report? I do not think it will provoke any controversy.

Mr. NIXON. I am very glad to yield.

Mr. GEORGE. Mr. President, I ask that all proceedings in connection with the conference report be printed in the RECORD at the conclusion of the remarks of the distinguished Senator from California.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GEORGE submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the

amendments of the Senate to the bill (H. R. 1612) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 7, and 8 and agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with the following amendments: On page 2, of the Senate engrossed amendments, strike out lines 12, 13, and 14, and insert the following: "Imported into the United States in such increased quantities, either actual or relative, as to cause or threaten serious injury to the"; on page 3 of the Senate engrossed amendments, strike out lines 12 and 13, and insert the following: "increased quantities, either actual or relative, as to cause or threaten serious"; on page 4 of the Senate engrossed amendments, strike out lines 4, 5, and 6, and insert the following: "cession, being imported in such increased quantities, either actual or relative, as to cause or threaten serious injury to the."

And the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: On page 6 of the Senate engrossed amendments, line 11, strike out "20" and insert "25."

And the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

"SEC. 11. The President shall, as soon as practicable, take such measures as may be necessary to prevent the importation of ermine, fox, kolinsky, marten, mink, muskrat, and weasel furs and skins, dressed or undressed, which are the product of the Union of Soviet Socialist Republics or of Communist China."

And the Senate agree to the same.

WALTER F. GEORGE,
TOM CONNALLY,
HARRY F. BYRD,
E. D. MILLIKIN,
ROBERT A. TAFT,

Managers on the Part of the Senate.

R. L. DOUGHTON,
JERE COOPER,
JOHN D. DINGELL,
W. D. MILLS,
DANIEL A. REED,
THOMAS JENKINS,
RICHARD M. SIMPSON,

Managers on the Part of the House.

Mr. GEORGE. Mr. President, as the conference report shows, the House recedes from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 7 and 8.

In the case of amendment numbered 5 the House recedes from its disagreement to the amendment of the Senate and agrees to it with the following amendments:

On page 2 of the Senate engrossed amendments, strike out lines 12, 13, and 14 and insert the following: "Imported into the United States in such increased quantities, either actual or relative, as to cause or threaten serious injury to the"—

Then follows the language in the bill.

Mr. MORSE. Mr. President, will the Senator yield on that particular amendment?

Mr. GEORGE. I am glad to yield to the Senator from Oregon.

Mr. MORSE. Will the Senator explain to the Senate what, in his opinion, is the difference between that section of the Senate bill and the section as amended by the conferees?

Mr. GEORGE. The amendment as agreed to is in the nature of a clarification. It is intended to meet a situation which might not have been met by the language of the Senate bill. In the Senate bill the language read:

Imported into the United States in such relatively increased quantities, measured by a prior representative period—

And so forth. In conference our attention was called to the fact, which I think persuaded our conferees, that during World War II some of our industries were virtually choked off, and new industries were established, which had no comparative prior period to which the relatively increased imports might be compared. For that reason we thought it best to make it clear that whenever the articles were imported into the United States in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic industry, the American industry should have the full advantage of the escape-clause provision in the bill.

Mr. MORSE. Mr. President, will the Senator further yield?

Mr. GEORGE. I am pleased to yield. I think the distinguished Senator from Colorado [Mr. MILLIKIN] will verify our reason for making this change.

Mr. MORSE. Will the Senator permit me to make an observation, and then comment upon it, or permit the Senator from Colorado to comment upon it?

Mr. GEORGE. I am pleased to yield.

Mr. MORSE. Do the Senator from Georgia and the Senator from Colorado agree that I am correct in my interpretation of the language which was adopted in the conference by way of modification of the Senate language, in that the new language strengthens and makes more effective the operation of both the peril-point and escape-clause principles?

Mr. GEORGE. I think undoubtedly it does. I should be very glad to have the distinguished Senator from Colorado express himself on that point.

Mr. MILLIKIN. Mr. President, I will say to the distinguished Senator from Oregon that I think there is a strengthening of the escape-clause procedure, for the reasons stated by the distinguished senior Senator from Georgia. We might arrive at a case in which there was not a fair representative period prior to a concession. So since we are not only planning to take care of matters now, but also requiring a new standard to be placed in the escape clauses in the future, we thought this would tend to round out the subject in a better fashion.

Mr. MORSE. At the same time, it also makes more effective the operation of the principle of the peril point, because the two cannot really be separated, can they?

Mr. MILLIKIN. I think there is a separation. In the first instance, we are trying to prevent the future occurrence of an injury under a particular standard.

In the second instance we are trying to escape from injury if injury should occur.

Mr. MORSE. But to the extent that we have a procedure for handling the escape problem, we also serve notice upon the individuals who negotiate the reciprocal trade program that they should continue to pay attention to the peril-point problem at the time of negotiation, and in the subsequent administration thereof.

Mr. MILLIKIN. I think the Senator is entirely correct. If they pay proper attention to the rates when they make them, they will greatly minimize the need for the escape-clause procedure.

Mr. MORSE. That is my point.

Mr. GEORGE. On page 3 of the Senate engrossed amendments, the same amendment is inserted; and on page 4, the new language which we have just discussed is again inserted.

The Senate conferees agreed to these changes.

In the case of amendment No. 6, the House recedes from its disagreement to the amendment, and agrees to it with an amendment as follows:

On page 6 of the Senate engrossed amendment, line 11, strike out "20" and insert "25."

The Senate conferees agreed to this change.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. GEORGE. I yield to the distinguished Senator from Florida.

Mr. HOLLAND. Is this portion of the report the one which deals with section 8 (a) of the Senate bill?

Mr. GEORGE. The Senator is correct.

Mr. HOLLAND. Is it correct to say that the House has accepted section 8 (a) of the Senate bill, with the exception of the fact that the conferees changed the period of time in which the Tariff Commission must act from 20 days to 25 days?

Mr. GEORGE. The Senator is correct. The House conferees accepted section 8 (a) in its entirety, with this change, from 20 days to 25. The Tariff Commission, through its Chairman, advised that 20 days was hardly ample, and the House conferees strongly insisted upon 30 days. The Senate conferees insisted upon 20 days. Finally it was compromised by inserting 25 days.

It was strongly believed, and is strongly believed by the conferees on the part of both House and the Senate, that in the case of highly perishable fruits or vegetables the President himself will act without referring the matter to the Tariff Commission; but if he should refer it to the Commission and await action by the Commission, both the Commission and the President must act within 25 days. That is an over-all limitation upon the time in which they must act.

Mr. HOLLAND. Mr. President, will the Senator yield for one more question?

Mr. GEORGE. Yes.

Mr. HOLLAND. In the event that the President does send the matter to the Tariff Commission, after having received the report and recommendation of the Secretary of Agriculture, the President

may, notwithstanding the fact that he has sent the matter to the Commission, act at any time within the 25-day period without awaiting the report of the Tariff Commission, may he not?

Mr. GEORGE. That is correct. As a matter of fact, the bill contemplates that the Secretary of Agriculture will find the facts, that he will notify both the President and the Tariff Commission, and that the President may act immediately, without awaiting the lapse of even 1 day, if he should determine to do so and think it wise to do so. I believe it should be worth something in the construction of the provision that the conferees, both on the part of the House and on the part of the Senate, were of the opinion that in all cases of highly perishable fruits and vegetables, to which injury or threat of injury was imminent, the President probably would act without awaiting action or recommendation by the Tariff Commission.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. GEORGE. I am glad to yield.

Mr. MILLIKIN. I should like to add one thought. I believe the conferees were unanimous in the view that if the matter went to the Tariff Commission, the Tariff Commission should not always take 25 days, but should take action as rapidly as possible, and under no circumstances take more than 25 days.

Mr. HOLLAND. Mr. President, I thank the distinguished Senators. In my judgment they have done excellent work in conference, because it seems to me the House has substantially accepted the Senate amendment, which is designed to help domestic producers of perishable commodities. Heretofore there has been no adequate machinery in existence for their protection under the act.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. GEORGE. Yes.

Mr. MILLIKIN. I believe there was also general agreement among the conferees that both the Tariff Commission and the Secretary of Agriculture should do what is necessary to be done so as to be able to anticipate emergencies, and thus be able to expedite the procedure when requests for action are made.

Mr. HOLLAND. I thank the distinguished Senator.

Mr. GEORGE. In the case of amendment No. 9, the House recedes from its disagreement and agrees to it with an amendment, as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

"SEC. 11. The President shall, as soon as practicable, take such measures as may be necessary to prevent the importation of ermine, fox, kolinsky, marten, mink, muskrat, and weasel furs and skins, dressed or undressed, which are the product of the Union of Soviet Socialist Republics or of Communist China."

It was the opinion of the conferees on the part of both the Senate and the House that with this mandatory provision for action to prevent the importation of the several named furs into the

United States from the Union of Soviet Socialist Republics and from Communist China the chief source of supply of these furs or of importation of them would be cut off. Not only that, but immediately upon the passage and approval of this act, the fur producers of this country would have the complete right to proceed under the escape clause. It was believed by the conferees that the matter inserted by the conference committee, with the remedy then available to the producers of furs, would give reasonable relief against the importation of the furs, from which they have undoubtedly suffered in the past.

Mr. President, I should like to say that included in the amendment numbered one is the provision which relates to the effective date of the act and its duration. The House conferees agreed with the Senate, and the act would be extended for 2 years only, from June 12, 1951.

Mr. President, I move the adoption of the conference report.

The PRESIDING OFFICER. Is there objection to the present consideration of the conference report?

THE FLOOR UNDER WAGES AND INVESTMENTS

Mr. MALONE. Mr. President, reserving the right to object, I should like to ask the distinguished Senator from Georgia if any language was inserted by the conference committee which would direct the President to take cognizance of the recommendations of the Tariff Commission in regard to any trade agreements about to be made under the peril-point provision, or if any language was inserted which would direct the President to take any action under the escape clause.

ONLY FURS EXEMPTED

Mr. GEORGE. There was no change made by the conference committee in either one of the provisions named, to wit, the peril point provision or the escape clause. The last amendment to which I have invited attention is an express mandatory directive to the President to take steps as early as practicable which will prevent the importation of the furs from the two countries named.

Mr. MALONE. The junior Senator from Nevada approves of the amendment as far as it goes. It covers one product out of several thousand. In other words, it covers only the furs named.

Mr. GEORGE. The Senator is perhaps correct. I do not know the number of products. It covers only furs.

Mr. MALONE. That is correct.

Mr. GEORGE. We were faced with the situation, as I am sure the Senator will appreciate, that, whether or not one agrees with the Trade Agreements Act and the agreements made thereunder, such agreements are international in character, and until appropriate steps are taken to escape from an agreement it is a rather high-handed piece of business on the part of any state a party to the agreement to disregard it. In the case of furs, it is absolutely necessary to provide for the termination, so to speak, of present arrangements and to

prevent the importation of the furs, and then to leave the parties, whether they be producers of furs or producers of other commodities, free to act under the escape clause in the bill. The Senator is quite correct in saying that no change has been made in the language of the peril point or escape clause provisions on the point to which he directs attention.

ALL PROVISIONS OPTIONAL WITH THE PRESIDENT

Mr. MALONE. In other words, to keep the record straight no change has been made in the bill as first reported to the Senate by the Committee on Finance or as finally passed by the Senate which would direct the President to do anything about any injury to a domestic business, or direct the President to take action under the escape clause after such business is injured. It is entirely optional with the President as was categorically stated by the junior Senator from Nevada during the Senate debate on the 21st, 22d, and 23d of this month.

Mr. GEORGE. We had considerable argument on the floor. The distinguished Senator from Nevada insists that this matter is entirely optional. The senior Senator from Georgia and others on the Finance Committee do not think it is entirely optional except in the sense that the absolute power to act is left with the President; but there are many limitations, which we think are highly persuasive, upon the exercise of that power.

However, the Senator is correct; the same issues were raised in the debate, and there has been no change with respect to those issues, except in the case of furs. I think there is a slight change in that case, but otherwise there has been no change.

Mr. MALONE. Mr. President, further to clarify the RECORD as to the provisions of the bill actually agreed upon in conference, let me say that the only product out of the several thousand products upon which there has been a change is furs. I heartily agree about the exception; it seems strange however that one product should be exempted from the operation of the act out of several thousand.

The point I wish to make is that nothing in this measure directs the President to do anything.

This means that the President must write a letter to Congress explaining his objectives if he disregards the report by the Tariff Commission pointing out the danger point for an existing industry.

Of course, Mr. President, in my judgment, having had 4½ years' experience with the fantastic reasoning advanced by the President of the United States and a distinguished but entirely discredited Secretary of State, little attention will be paid to any suggestion by a tariff commission.

OBJECTIVES ALREADY ANNOUNCED

The provisions amount only to suggestions—which would interfere with the already announced administration objectives. In the last 4 years, at least once each year—four or five times—testimony by the Secretary of State or his assistants before congressional committees, has definitely stated that their program is the division of the markets

of the United States with the nations of the world.

OUR CHIEF EXPORT IS CASH

That is their announced program; it is not something which is left to conjecture by Congress. We know what the program is, and in the meantime we make up in cash the trade-balance deficits of the other nations through Marshall plan and ECA.

Much was made by committee members of the promise of the Secretary of State that the International Trade Organization would not be brought before the Senate again.

INTERNATIONAL TRADE ORGANIZATION COMPLETED

Mr. President, but chapter 4 of the ITO, the commercial chapter of the International Trade Organization, was adopted through the General Agreement on Tariffs and Trade, generally known as GATT, an arrangement which was begun in Geneva and has been added to, from time to time, until the holding of the Torquay Conference, where the job of selling the stage for the adoption of the ITO was practically completed.

The result has been that practically every commercial provision of the International Trade Organization—which was made a part of the CONGRESSIONAL RECORD during the debate—will now be effective, except in the case of the points which need approval by the Congress of the United States, and avenues are being used now to secure that approval.

In a release made at that time by the Secretary of State, there was a warning that that would be done.

THE CUSTOMS SIMPLIFICATION BILL

A very innocuous-looking bill, under the heading "Simplification of Customs," is now before the Senate committee.

I have found six separate "sleepers" in that bill. If the bill were passed by the Congress, the result would be that the job of adopting ITO would be practically complete.

Mr. President, the bill as it now stands has been passed upon by the Senate.

So, for the purpose of the RECORD, I say again that the bill simply extends for two more years the effective provisions of the original bill.

Under this legislation, everything is left to the judgment and discretion of the President of the United States and is the same free-trade bill passed in 1934; and under which the administration has effectively removed the floor under wages and investments.

The President and the Secretary of State, if they so desire, may call another Torquay Conference and can go through the same procedure as the one they went through at Torquay, where several thousand products were either frozen at their existing rates or lower tariffs imposed.

There is nothing in this measure to prevent the continued raid upon American markets by foreign nations.

IMPORT FEES NOW LARGELY BELOW PERIL POINT

I would point out further, Mr. President, as was proven on the floor of the Senate during the debate, that the great majority of the tariffs and import fees which have been tinkered with and manipulated during the last 18 years, now are below the peril point.

Therefore, the peril-point provision—even if mandatory, which it is not—comes after the tariff structure has been effectively destroyed.

The VICE PRESIDENT. Is there objection to the request for the present consideration of the conference report?

There being no objection, the report was considered and agreed to.

Mr. GEORGE. Mr. President, I wish to thank the Senator from California, and I desire to express regret that so much of his time has been consumed.

Mr. NIXON. That is perfectly all right.

STANDING COMMITTEE ON VETERANS' AFFAIRS

After the conclusion of Mr. NIXON's speech,

Mr. FERGUSON. Mr. President, on behalf of the Senator from Vermont [Mr. FLANDERS], myself, and 34 other Senators, I am about to submit for appropriate reference a Senate resolution to create in the Senate a standing Committee on Veterans' Affairs, to consist of 13 Senators.

For the RECORD, I should like to read the name of each of the cosponsors who have joined the Senator from Vermont and me in offering this revision of the Senate rules:

Mr. WHERRY, Mr. MORSE, Mr. GILLETTE, Mr. KILGORE, Mr. O'CONOR, Mr. SALTONSTALL, Mr. MCCARTHY, Mr. ECTON, Mr. HOLLAND, Mr. LODGE, Mr. WELKER, Mr. MUNDT, Mr. IVES, Mr. MALONE, Mr. WILEY, Mr. CHAVEZ, Mrs. SMITH of Maine, Mr. MCCARRAN, Mr. YOUNG, Mr. CASE, Mr. SMATHERS, Mr. MARTIN, Mr. BUTLER of Maryland, Mr. BUTLER of Nebraska, Mr. LANGER, Mr. MOODY, Mr. SCHOEPPLE, Mr. NEELY, Mr. CARLSON, Mr. JENNER, Mr. DWORSHAK, Mr. MURRAY, Mr. HENDRICKSON, and Mr. NIXON.

Mr. President, tomorrow will be Memorial Day. On the eve of that occasion it is entirely fitting that this bipartisan group, comprising more than one-third of the Senate's membership, should pay tribute to the veterans of military service in this country by recognizing the essential importance of veterans' legislation in the business of the United States Congress.

There are today in the United States approximately 19,000,000 living veterans of military service. More are being added to the veterans' rolls daily. Approximately \$4,900,000,000, or 7 percent, of the Federal Government's annual budget is devoted to various phases of veterans' benefits and care.

It is extraordinary that a phase of our national life so sweeping in its scope should not have the benefit of specialized committee attention in the United States Senate. A field of such broad legislative implications deserves specialized attention for the full protection, not just of the veterans, but of the Nation as a whole.

The field has such specialized attention in the House of Representatives by virtue of its Committee on Veterans' Affairs. We propose that a committee of identical jurisdictional authority be established in the Senate. It would assume jurisdiction over matters now handled principally by two other standing com-

May 31

TRADE AGREEMENTS EXTENSION ACT OF 1951

MAY 31, 1951.—Ordered to be printed

Mr. COOPER, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H. R. 1612]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1612) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 7, and 8 and agree to the same.

Amendment numbered 5:

That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with the following amendments:

On page 2 of the Senate engrossed amendments, strike out lines 12, 13 and 14, and insert the following: *imported into the United States in such increased quantities, either actual or relative, as to cause or threaten serious injury to the.*

On page 3 of the Senate engrossed amendments, strike out lines 12 and 13, and insert the following: *increased quantities, either actual or relative, as to cause or threaten serious.*

On page 4 of the Senate engrossed amendments, strike out lines 4, 5, and 6, and insert the following: *cession, being imported in such increased quantities, either actual or relative, as to cause or threaten serious injury to the.*

And the Senate agree to the same.

Amendment numbered 6:

That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows:

On page 6 of the Senate engrossed amendments, line 11, strike out "20" and insert: 25.

And the Senate agree to the same.

Amendment numbered 9:

That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

SEC. 11. The President shall, as soon as practicable, take such measures as may be necessary to prevent the importation of ermine, fox, kolinsky, marten, mink, muskrat, and weasel furs and skins, dressed or undressed, which are the product of the Union of Soviet Socialist Republics or of Communist China.

And the Senate agree to the same.

R. L. DOUGHTON,
JERE COOPER,
JOHN D. DINGELL,
W. D. MILLS,
DANIEL A. REED,
THOMAS JENKINS,
RICHARD M. SIMPSON,

Managers on the Part of the House.

WALTER F. GEORGE,
TOM CONNALLY,
HARRY F. BYRD,
E. D. MILLIKIN,
ROBERT A. TAFT,

Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1612) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendment No. 1: This amendment provides that the authority of the President to enter into foreign trade agreements is extended for 2 years from June 12, 1951, instead of 3 years, as provided by the House bill. The House recedes.

Amendment No. 2: This amendment deletes the prohibition contained in the House bill against participation by members, officers, and employees of the Tariff Commission in the making of decisions with respect to the proposed terms of any foreign trade agreement or in the negotiation of any such agreement. The House recedes.

Amendment No. 3: This amendment is clerical. The House recedes.

Amendment No. 4: The House bill would have required the President within 90 days to withdraw or prevent the application of reduced tariffs or other concessions contained in any future trade agreement to imports from Communist areas of the world. The Senate amendment requires that such action be taken with respect to concessions made in past, as well as future, trade agreements, and requires that action be taken "as soon as practicable." Under the Senate amendment, the President would also have discretion merely to suspend, as well as to withdraw or prevent the application of, concessions. The House recedes.

Amendment No. 5: The House bill provided a procedure under which, upon the request of the President, upon its own motion, or upon application of any interested party, the Tariff Commission would make an investigation to determine whether any article upon which a concession had been granted in a trade agreement containing an escape clause is being imported under such relatively increased quantities, or under such conditions as to cause and threaten serious injury to a domestic industry, or a segment of such industry which produces a like or directly competitive article. The Senate amendment requires that an escape clause be included in all future trade agreements, and directs the President as soon as practicable to insert an escape clause in all existing trade agreements. In this latter respect, the President is required to report to the Congress on the action taken by him. Under the Senate amendment the escape clause procedure can be initiated upon the request of the President, upon resolution of either House of Congress, or upon resolution of either the Committee on Finance of the Senate, or the Committee on Ways and Means of the House of Representatives, upon application of any interested party, or by the Tariff Commission upon its own motion.

Under the House bill the investigation of the Tariff Commission was to determine whether an article is being imported under such relatively increased quantities, or under such conditions as to cause or threaten serious injury to a domestic industry, or a segment of such industry which produces a like or directly competitive article.

The Senate amendment made it the responsibility of the Tariff Commission to make an investigation and report thereon within 1 year after application under the escape clause to determine whether an article is being imported into the United States in such relatively increased quantities (compared to a representative period prior to the concession) as to cause or threaten serious injury to the domestic industry producing like or directly competitive products. The House recedes with an amendment making it the responsibility of the Tariff Commission to determine whether any product upon which a concession has been granted under a trade agreement is being imported into the United States in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic industry producing like or directly competitive products.

The Senate amendment also clarifies and spells out in greater detail the procedure to be followed by the Tariff Commission and the President in conducting an investigation and in taking recommended action.

Amendment No. 6: Section 8 of the House bill provided that no trade agreement concession should apply with respect to any agricultural commodity for which price support is available to producers in the United States, unless the domestic price of the imported article exceeds the price support level. In lieu of this provision, the Senate amendment prevents any trade agreement from being applied in a manner inconsistent with the requirements of section 22 of the Agricultural Adjustment Act, and requires the Tariff Commission and the President to act within 20 calendar days after report by the Secretary of Agriculture to the President and the Tariff Commission that a condition exists with respect to a perishable agricultural commodity requiring emergency treatment. The Tariff Commission is required to make an immediate investigation under the provisions of section 22 of the Agricultural Adjustment Act, or under the escape clause procedure of this bill, but the President may take immediate action without awaiting the recommendations of the Tariff Commission. The House recedes with an amendment fixing the maximum limitation upon the investigation and report of the Tariff Commission and the decision of the President at 25 days, with the understanding that it is not intended that action be delayed for this length of time, but that action be taken as expeditiously as practicable.

Amendment No. 7: This amendment, for which there was no corresponding provision in the House bill, restores the right of the domestic producer to appeal to a customs court if he feels that he is being injured by the incorrect classification of an imported article. This right had been terminated by the Trade Agreement Act of 1934 with respect to products covered in trade agreements. The House recedes.

Amendment No. 8: This amendment makes clear that enactment of the bill is not to be construed as approval or disapproval by the Congress of the General Agreement on Tariff and Trade. The House recedes.

Amendment No. 9: This amendment adds a new section providing relief for the domestic fur industry by imposing a quota of 25 percent of the domestic production during the preceding year upon imports of mink, silver fox, and muskrat furs and skins, respectively. The House recedes with an amendment under which the President is required as soon as practicable to take such measures as may be necessary to prevent the importation of ermine, fox, kolinsky, marten, mink, muskrat, and weasel furs and skins, dressed or undressed, which are the product of the Union of Soviet Socialist Republics or of Communist China.

R. L. DOUGHTON,
JERE COOPER,
JOHN D. DINGELL,
W. D. MILLS,
DANIEL A. REED,
THOMAS JENKINS,
RICHARD M. SIMPSON,

Managers on the Part of the House.

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continue if there are these continual upping of prices.

I hope the newspapers of this country will rise in wrath against what these newsprint manufacturers are doing. Certainly they should alert the Nation to these machinations. If they do not they are derelict.

The SPEAKER pro tempore. The time of the gentleman from New York has expired.

CORRECTION OF RECORD

Mr. CURTIS of Nebraska. Mr. Speaker, on May 31 I extended my remarks on page A3319 by inserting an article from Newsweek. The RECORD states that the issue was of January 4; it should have been June 4. I ask unanimous consent that the permanent RECORD may be corrected accordingly.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. HAYS of Arkansas. Mr. Speaker, I ask unanimous consent to correct the RECORD on page 6249, that my reference to a Senate report entitled "Tensions Within the Soviet Union," indicate the correct name.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

CORRECTION OF ROLL CALL

Mr. YORTY. Mr. Speaker, on roll call 65 of yesterday I am recorded as not voting. I was present and voted "aye." I ask unanimous consent that the permanent RECORD and Journal may be corrected accordingly.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

TRADE AGREEMENTS EXTENSION ACT OF 1951

Mr. COOPER. Mr. Speaker, I call up the conference report on the bill (H. R. 1612) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of May 31, 1951.)

The SPEAKER pro tempore. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

(Mr. COOPER asked and was given permission to extend his remarks at this point in the RECORD, setting forth a brief summary of the conference action on the bill H. R. 1612.)

(The matter referred to follows:)

SUMMARY OF CONFERENCE ACTION ON H. R. 1612

1. Agreed upon 2-year period of extension.

2. Accepted the Senate amendment to the House peril-point provisions which eliminated the prohibition against participation by the Tariff Commission in the negotiation of a trade agreement.

3. Accepted the House proposal requiring the withdrawal of tariff concessions from Soviet-dominated countries, but agreed to Senate amendment making it applicable to all tariff concessions, not just those made in the future, and removed the requirement that the action be taken within the next 90 days.

4. Accepted the Senate revision of the House escape-clause provision, as follows:

(a) To justify escape-clause action the injury complained of must be the result, in whole or in part, of the duty reflecting the concession. The House amendment did not require any connection between injury and concession.

(b) To justify escape-clause action imports must be entering in increased quantities, either actual or relative. The House amendment did not have this requirement and would have meant that in the case of a fall in demand or depression, where imports were being hurt worse than domestic producers, concessions would be withdrawn, thus throwing the whole burden of the fall in demand on imports.

(c) To require that injury be shown to the domestic industry producing a like or directly competitive product, rather than domestic producers of a competitive product. The House version might have required action just to protect an inefficient, marginal producer or someone producing something that might have been considered competitive.

(d) To agree that certain specified factors shall be taken into consideration by the Tariff Commission without excluding others in its determination of whether or not injury has occurred. The House version would have made these same factors evidence of injury as a matter of law.

(e) To require the Tariff Commission to make a formal investigation and hold public hearings only if it finds prima facie evidence of injury, or if it is requested to do so by the Ways and Means Committee or the Finance Committee. In the House version it would have had to make a formal investigation and hold hearings on any application.

5. Accepted Senate amendment to section 22 of the Agricultural Adjustment Act which would prevent any trade agreement from being applied in a manner inconsistent with the requirements of section 22.

Also agreed to provision for emergency action by the Tariff Commission and the President in the case of perishable agricultural commodities.

6. Restored the right of producers to litigate tariff classifications, which had been eliminated in the original Trade Agreements Act.

7. Accepted Senate language expressly disclaiming approval or disapproval of the General Agreement on Tariff and Trade (GATT).

8. Accepted as substitute for Senate amendment imposing quotas on import of furs a requirement that the President act to bar imports of named furs from the Soviet Union and Communist China.

(Mr. REED of New York asked and was given permission to extend his remarks at this point of the RECORD.)

Mr. REED of New York. Mr. Speaker, the conference report on H. R. 1612 contains all the amendments to the bill

which were recommended by the Republican members of the Ways and Means Committee when the bill was brought to the floor of the House for debate.

It will be recalled that the Republican amendments were rejected by a straight party vote in the Ways and Means Committee but were adopted overwhelmingly by the House prior to passage of the bill.

Due to the attempt of the Democratic majority of the Ways and Means Committee to hurriedly slip this legislation through the House, the Republican amendments had to be prepared during the course of the debate and we recognized that the other body would have to perfect and clarify our legislative language. This has been done and most of the changes from the House bill contained in the conference report are for the most part only matters of form and not substance.

The House bill provided for a 3-year extension. This was reduced to a 2-year period by the other body, and the conference report provides for only a 2-year extension. In addition to this change from the House bill the conference report contains a provision which restores the right of a domestic producer to appeal to a customs court if he feels that he is being injured by the incorrect classification of an imported article. This right had been terminated by the original Trade Agreements Act with respect to products covered in trade agreements.

Another provision which is contained in the conference report which was not in the House bill is the provision making it clear that the extension of the reciprocal trade program should not be construed as approval or disapproval of the General Agreement on Tariff and Trade entered into at Geneva in 1947.

The other amendments to the House bill contained in the conference report are largely perfecting amendments. For example, the House bill required the President to withdraw within 90 days the benefits of future concessions to imports from Soviet Russia and other Communist areas. The conference report eliminates the 90-day requirement and applies the provision to past as well as future trade agreement concessions and in order to make the provisions more workable the withdrawal from Communist areas of the benefit of concessions is mandatory only when such action is practicable.

The conference report follows the Republican peril-point amendment with clarifying language in order to make sure that the fact-supplying functions of the Tariff Commission during and at the time of trade agreement negotiations would not be impaired. The Republican peril-point amendment was not intended to hamper such fact-finding and supplying function of the Tariff Commission, and the amendment made by the other body and contained in the conference report simply clarifies this point.

The escape-clause amendment recommended by the Republicans and adopted on the floor was redrafted by the other body to make it more workable. The conference report follows the redraft by

the other body of the Republican escape-clause provision and the conferees receded with a clarifying amendment.

The House-approved amendment designed to prevent tariff concessions from applying to imported agricultural commodities which were being sold under a price-support program in this country was deleted. In lieu of that provision the conference report follows the amendment made by the other body which prevents any trade agreement from being applied in a manner inconsistent with the requirements of section 22 of the Agricultural Adjustment Act. The amendment to the House bill also required the Tariff Commission and the President to act within 20 days after report by the Secretary of Agriculture to the President and the Tariff Commission that a condition exists with respect to a perishable agricultural commodity requiring emergency treatment. The Tariff Commission is required to make an immediate investigation either under section 22 of the Agricultural Adjustment Act or under the escape-clause procedure of the bill, but the President may take immediate action without awaiting the recommendations of the Tariff Commission. The House conferees receded with an amendment fixing the maximum limitation upon the investigation and report of the Tariff Commission and the decision of the President at 25 days, with the understanding that it is not intended that action be delayed for this length of time, but that action be taken as expeditiously as practicable.

Mr. Speaker, every Republican amendment to this legislation was defeated on a straight party vote in the Ways and Means Committee, but all our amendments were passed by the House, and are contained in the conference report as perfected by the other body. This fact is of more than passing interest at this time in view of the fact that the Ways and Means Committee will shortly bring out the new tax bill. As in the case of the reciprocal trade legislation, important Republican efforts to improve the bill were opposed by the administration and were consequently defeated by the Democratic majority. I am confident, however, that as in the case of this legislation before us, opportunity will again be given to the Republican minority and Members of the House to correct the obvious defects in the new tax bill.

Mr. COOPER. Mr. Speaker, I ask unanimous consent that all Members may be permitted to extend their remarks at this point in the Record in reference to this conference report if they so desire.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. MCGREGOR. Mr. Speaker, the American people are taking a terrific beating because of the extravagant Government spending which means higher and higher taxes for the already overburdened taxpayers of our Nation.

It recently has been established that the average American is paying out \$1 in Federal, State, and local taxes for every \$4.10 earned. The Nation's tax

bill for the fiscal year ending June 30, 1951, amounts to \$372 for every man, woman, and child in the United States.

Our national debt, which has climbed to the tremendous total of \$255,000,000,000, is still rising. This is an average debt of \$1,666 for every man, woman, and child in this country.

If high taxes are necessary to win the war against communism and maintain our freedom, the people I have the honor to represent in Congress are willing to pay higher taxes and sacrifice in every way they can so those in our armed services will have what they need.

But there is tremendous waste all along the line in our Federal Government and it must stop. The strictest economy must be practiced by those handling public funds to halt unnecessary expenditures.

As an example of unnecessary Government spending, the State Department in its 1951-52 budget requests estimates it will spend \$8.93 per plate for luncheons in honor of visiting foreigners during the coming year. This is a portion of the President's so-called tight budget for the Nation.

The time has long past for we who are elected by the taxpayer to take matters into our own hands and really do something about economy in our Government for the benefit of our country and our own constituents.

Lenin, the Russian dictator, once said, "Some day we will force the United States to spend itself into destruction." Let us make certain his prophecy does not come true.

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

[Mr. RANKIN addressed the House. His remarks will appear hereafter in the Appendix.]

PARLIAMENTARY INQUIRY

Mr. EBERHARTER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. EBERHARTER. Mr. Speaker, yesterday's Record shows, page 6260, that the gentleman from South Carolina [Mr. McMILLAN] asked unanimous consent that the bill (H. R. 4141) be taken up as the first order of business tomorrow, and after some reservations of objections there was no objection. For the purpose of clarification I would like to know whether or not, business having been transacted, that unanimous-consent request is still in force?

Mr. PRIEST. Mr. Speaker, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from Tennessee.

Mr. PRIEST. The gentleman from Tennessee was the occupant of the chair at the time the unanimous-consent request was propounded, and the gentleman from Tennessee presiding at the

time restated the question to the effect that it be in order to consider the bill today in order to make it clear that it would not necessarily be the first order of business. That is the way the Chair put the question. I believe that will clear the point in the mind of the gentleman from Pennsylvania.

Mr. EBERHARTER. Mr. Speaker, in view of the statement of the gentleman from Tennessee, who was the occupant of the chair on yesterday, I ask unanimous consent that the Record then be corrected accordingly.

Mr. FELLOWS. Mr. Speaker, I object. The SPEAKER pro tempore. The Chair may say, insofar as the Chair has information, that the Record is in accordance with the statement made by the gentleman from Tennessee. The response of the Chair to the parliamentary inquiry would be that the District of Columbia crime bill will be in order for consideration any time during the day.

PRIVATE CALENDAR

The SPEAKER pro tempore. This is Private Calendar day. The Clerk will call the first individual bill on the Private Calendar.

JOE LEE, ALSO KNOWN AS LEE JOW

The Clerk called the bill (H. R. 2114) for the relief of Joe Lee, also known as Lee Jow.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, Joe Lee (also known as Lee Jow) shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee and head tax. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM O. STEVENS

The Clerk called the bill (H. R. 662) for the relief of William O. Stevens.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Navy is hereby authorized and directed to pay to William O. Stevens, formerly a professor at the United States Naval Academy, the sum of \$100 per month for the remainder of his life, beginning with the month in which this act is approved, chargeable to such appropriations as may be made for the payment of retirement annuities to civilian members of the teaching staff of the United States Naval Academy and postgraduate schools.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BASIL VASSO ARGYRIS AND MRS. ALINE ARGYRIS

The Clerk called the bill (H. R. 748) for the relief of Basil Vasso Argyris and Mrs. Aline Argyris.

June 16

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AN ACT

To extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Trade Agreements Extension Act of 1951".

SEC. 2. The period during which the President is authorized to enter into foreign-trade agreements under section 350 of the Tariff Act of 1930, as amended and extended is hereby extended for a further period of two years from June 12, 1951.

SEC. 3. (a) Before entering into negotiations concerning any proposed foreign trade agreement under section 350 of the Tariff Act of 1930, as amended, the President shall furnish the United States Tariff Commission (hereinafter in this Act referred to as the "Commission") with a list of all articles imported into the United States to be considered for possible modification of duties and other import restrictions, imposition of additional import restrictions, or continuance of existing customs or excise treatment. Upon receipt of such list the Commission shall make an investigation and report to the President the findings of the Commission with respect to each such article as to (1) the limit to which such modification, imposition, or continuance may be extended in order to carry out the purpose of such section 350 without causing or threatening serious injury to the domestic industry producing like or directly competitive articles; and (2) if increases in duties or additional import restrictions are required to avoid serious injury to the domestic industry producing like or directly competitive articles the minimum increases in duties or additional import restrictions required. Such report shall be made by the Commission to the President not later than 120 days after the receipt of such list by the Commission. No such foreign trade agreement shall be entered into until the Commission has made its report to the President or until the expiration of the 120-day period.

(b) In the course of any investigation pursuant to this section the Commission shall hold hearings and give reasonable public notice thereof, and shall afford reasonable opportunity for parties interested to be present, to produce evidence, and to be heard at such hearings.

(c) Section 4 of the Act entitled "An Act to amend the Tariff Act of 1930", approved June 12, 1934, as amended (19 U. S. C., sec. 1354), is hereby amended by striking out the matter following the semicolon and inserting in lieu thereof the following: "and before concluding such agreement the President shall request the Tariff Commission to make the investigation and report provided for by section 3 of the Trade Agreements Extension Act of 1951, and shall seek information and advice with respect to such agreement from the Departments of State, Agriculture, Commerce, and Defense, and from such other sources as he may deem appropriate."

SEC. 4. (a) Within thirty days after any trade agreement under section 350 of the Tariff Act of 1930, as amended, has been entered into which, when effective, will (1) require or make appropriate any modification of duties or other import restrictions, the imposition of additional import restrictions, or the continuance of existing customs or excise treatment, which modification, imposition, or continuance will exceed the limit to which such modification, imposition, or continuance may be extended without causing or threatening serious injury to the domestic industry producing like or directly competitive articles as found and reported by the Tariff Commission under section 3, or (2) fail to require or make appropriate the minimum increase in

Trade Agreements
Extension Act of
1951.

48 Stat. 943.
19 U.S.C. 1351;
Sup. IV, 1351.

Furnishing of list
by President.

Report to Presi-
dent.

Restriction.

Hearings.

65 Stat. 72.

65 Stat. 73.

48 Stat. 945.
19 U.S.C., Sup. IV,
1354.

Information and
advice.

Copy of agreement
to Congress.

48 Stat. 943.
19 U.S.C. 1351;
Sup. IV, 1351.

duty or additional import restrictions required to avoid such injury, the President shall transmit to Congress a copy of such agreement together with a message accurately identifying the article with respect to which such limits or minimum requirements are not complied with, and stating his reasons for the action taken with respect to such article. If either the Senate or the House of Representatives, or both, are not in session at the time of such transmission, such agreement and message shall be filed with the Secretary of the Senate or the Clerk of the House of Representatives, or both, as the case may be.

Report to Congressional Committees.

(b) Promptly after the President has transmitted such foreign trade agreement to Congress the Commission shall deposit with the Committee on Ways and Means of the House of Representatives, and the Committee on Finance of the Senate, a copy of the portions of its report to the President dealing with the articles with respect to which such limits or minimum requirements are not complied with.

Withdrawal of concessions from Communist areas.

48 Stat. 943.
19 U.S.C. 1351;
Sup. IV, 1351.

SEC. 5. As soon as practicable, the President shall take such action as is necessary to suspend, withdraw or prevent the application of any reduction in any rate of duty, or binding of any existing customs or excise treatment, or other concession contained in any trade agreement entered into under authority of section 350 of the Tariff Act of 1930, as amended and extended, to imports from the Union of Soviet Socialist Republics and to imports from any nation or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement.

Escape clause: Restriction on continuance of concessions.

SEC. 6. (a) No reduction in any rate of duty, or binding of any existing customs or excise treatment, or other concession hereafter proclaimed under section 350 of the Tariff Act of 1930, as amended, shall be permitted to continue in effect when the product on which the concession has been granted is, as a result, in whole or in part, of the duty or other customs treatment reflecting such concession, being imported into the United States in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic industry producing like or directly competitive products.

65 Stat. 73.

65 Stat. 74.
Report to Congress.

(b) The President, as soon as practicable, shall take such action as may be necessary to bring trade agreements heretofore entered into under section 350 of the Tariff Act of 1930, as amended, into conformity with the policy established in subsection (a) of this section. On or before January 10, 1952, and every six months thereafter, the President shall report to the Congress on the action taken by him under this subsection.

Investigation by Commission.

SEC. 7. (a) Upon the request of the President, upon resolution of either House of Congress, upon resolution of either the Committee on Finance of the Senate or the Committee on Ways and Means of the House of Representatives, upon its own motion, or upon application of any interested party, the United States Tariff Commission shall promptly make an investigation and make a report thereon not later than one year after the application is made to determine whether any product upon which a concession has been granted under a trade agreement is, as a result, in whole or in part, of the duty or other customs treatment reflecting such concession, being imported into the United States in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic industry producing like or directly competitive products.

Tariff Commission hearings.

In the course of any such investigation, whenever it finds evidence of serious injury or threat of serious injury or whenever so directed by resolution of either the Committee on Finance of the Senate or the Committee on Ways and Means of the House of Representatives, the Tariff Commission shall hold hearings giving reasonable public notice thereof and shall afford reasonable opportunity for interested

parties to be present, to produce evidence, and to be heard at such hearings.

Should the Tariff Commission find, as the result of its investigation and hearings, that a product on which a concession has been granted is, as a result, in whole or in part, of the duty or other customs treatment reflecting such concession, being imported in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic industry producing like or directly competitive products, it shall recommend to the President the withdrawal or modification of the concession, its suspension in whole or in part, or the establishment of import quotas, to the extent and for the time necessary to prevent or remedy such injury. Within sixty days, or sooner if the President has taken action under subsection (c) of this section, the Tariff Commission shall transmit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives an exact copy of its report and recommendations to the President.

Recommendation to President.

Copy of report, etc., to Congress.

(b) In arriving at a determination in the foregoing procedure the Tariff Commission, without excluding other factors, shall take into consideration a downward trend of production, employment, prices, profits, or wages in the domestic industry concerned, or a decline in sales, an increase in imports, either actual or relative to domestic production, a higher or growing inventory, or a decline in the proportion of the domestic market supplied by domestic producers.

Factors for consideration.

(c) Upon receipt of the Tariff Commission's report of its investigation and hearings, the President may make such adjustments in the rates of duty, impose such quotas, or make such other modifications as are found and reported by the Commission to be necessary to prevent or remedy serious injury to the respective domestic industry. If the President does not take such action within sixty days he shall immediately submit a report to the Committee on Ways and Means of the House and to the Committee on Finance of the Senate stating why he has not made such adjustments or modifications, or imposed such quotas.

Modifications by President.

Report.

(d) When in the judgment of the Tariff Commission no sufficient reason exists for a recommendation to the President that a concession should be withdrawn or modified or a quota established, it shall make and publish a report stating its findings and conclusions.

Publication of Commission's report.

65 Stat. 74.

65 Stat. 75.

Perishable agricultural commodities. Emergency action.

SEC. 8. (a) In any case where the Secretary of Agriculture determines and reports to the President and to the Tariff Commission with regard to any agricultural commodity that due to the perishability of the commodity a condition exists requiring emergency treatment, the Tariff Commission shall make an immediate investigation under the provisions of section 22 of the Agricultural Adjustment Act, as amended, or under the provisions of section 7 of this Act to determine the facts and make recommendations to the President for such relief under those provisions as may be appropriate. The President may take immediate action however, without awaiting the recommendations of the Tariff Commission if in his judgment the emergency requires such action. In any case the report and findings of the Tariff Commission and the decision of the President shall be made at the earliest possible date and in any event not more than 25 calendar days after the submission of the case to the Tariff Commission.

49 Stat. 773.
7 U.S.C., Sup. IV, 624.
Ante, p. 2.

(b) Subsection (f) of section 22 of the Agricultural Adjustment Act, as amended, is hereby amended to read as follows:

62 Stat. 1250.
7 U.S.C., Sup. IV, 624(f).

"(f) No trade agreement or other international agreement heretofore or hereafter entered into by the United States shall be applied in a manner inconsistent with the requirements of this section."

All 65 Stat. 75.

48 Stat. 944.
19 U.S.C. 1001,
1201; Sup. IV,
1001, 1201.

SEC. 9. (a) The second sentence of section 2 (a) of the Act entitled "An Act to amend the Tariff Act of 1930", approved June 12, 1934, as amended, is amended by striking out the word "sections" and inserting in lieu thereof the word "section" and by striking out "and 516 (b)".

52 Stat. 1086.
19 U.S.C. 1516
note.

(b) Subsection (c) of section 17 of the Customs Administrative Act of 1938, as amended, is hereby repealed.

GATT.

61 Stat., Pts.
5 and 6.

SEC. 10. The enactment of this Act shall not be construed to determine or indicate the approval or disapproval by the Congress of the Executive Agreement known as the General Agreement on Tariffs and Trade.

Importation of cer-
tain furs.
Restriction.

SEC. 11. The President shall, as soon as practicable, take such measures as may be necessary to prevent the importation of ermine, fox, kolinsky, marten, mink, muskrat, and weasel furs and skins, dressed or undressed, which are the product of the Union of Soviet Socialist Republics or of Communist China.

Approved June 16, 1951.

JUNE 16, 1951

STATEMENT BY THE PRESIDENT

I have today signed H.R. 1612, the "Trade Agreements Extension Act of 1951." The Act extends until June 12, 1953, the authority of the President to enter into reciprocal trade agreements with other countries and, in connection with these agreements, to make certain changes in United States tariff rates.

By extending this authority by an overwhelming majority, the Congress has reaffirmed its continued adherence to a program which has been a cornerstone of United States foreign policy for seventeen years. Under this authority, the trade agreements program will be administered with the same spirit and the same objectives that have animated it from the beginning. Through our trade agreements with other nations, and in particular through the multilateral trade agreement known as the General Agreement on Tariffs and Trade, the United States will continue its efforts with other countries to expand trade by the reduction or elimination of barriers, and thus to build up the strength of the free world.

In signing the Trade Agreements Extension Act, however, I must point out that some of the new procedural provisions are cumbersome and superfluous. Although these provisions are intended to insure that American producers will not suffer serious injury from the operation of the program, they do not materially add to the safeguards which already exist under present administrative procedures.

I am very much concerned at the fact that some of these new provisions single out particular types of products for special consideration. One of the basic principles of the trade agreements program, repeatedly enunciated in the Congress, is that the Congress should confine its legislative mandate in this field to general principles. The dangers of reverting to product-by-product legislation in the field of tariffs are obvious.

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